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NEWS SUMMARY

GENERAL

Poland drafts strike law

Poland's leader Gen. Jaruzelski said yesterday the draft of an anti-strike law giving the Government "special rights" had been handed to Parliament.

The Government will wait before asking it to pass the law, however, because of opposition in Parliament to the plan.

Solidarity's leaders told its members to suspend strike action immediately and in effect threatened to resign if the strikes did not stop. Back Page

Submarine move

The captain of the grounded Soviet submarine agreed to explain why the vessel was in a Swedish military zone but demanded that Soviet diplomats be present, Sweden's Defence Staff said. Earlier story, Page 2

Shore warning

Shadow Chancellor Peter Shore warned the Labour Party "the SDP alliance with the Liberals faces us with a challenge that is now truly formidable." Back Page; SDP approach to reflation, Page 3

Test tour on

"The England cricket tour is on," the Indian Cricket Control Board said after approval by the Indian Government.

Exit convictions

Mark Lyons, the "Dr Arthur" of Exit, the voluntary euthanasia society, was cleared in London of murder but convicted of helping people to end their own lives. Nicholas Reed, Exit's general secretary, was convicted of similar charges.

Hijackers held

The hijackers of a Costa Rican aircraft landed in El Salvador with six Nicaraguans whose release they had demanded and were detained.

Ferries cut

Townsend Thoresen will cut its ferry services between Scotland and Northern Ireland from mid-January. Sailings on the Cairnryan-Larne route will be reduced from five to three a day.

Disease suspect

A five-mile restriction on the movement of animals around a farm at North Kilbington, Thirsk, North Yorkshire, was imposed after a suspected case of foot-and-mouth disease.

Seal cull halted

A seal cull on the Orkney Island of Rusk Holm was halted when protestors put themselves between the seals and the hunters' guns.

Taxing patience

A High Court judge criticised the Inland Revenue for "persecuting minnows" in an appeal over whether tax was payable on £13. He rejected its appeal.

Briefly . . .

Veteran car run from London to Brighton is tomorrow.

Pope John Paul will visit Vienna in September 1983.

Soviet Union launched a space probe to Venus.

French singer-poet Georges Brassens, 60, died at Sete.

BUSINESS

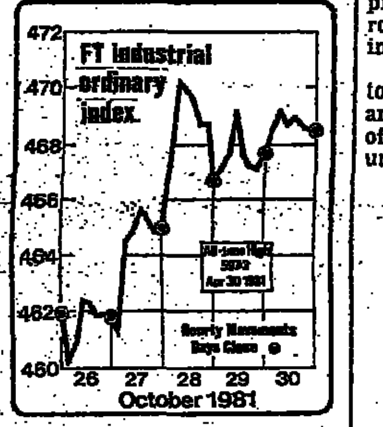
$ falls sharply; Gilts buoyant

● DOLLAR fell quite sharply in London to DM 2.2425 (DM 2.27), FFr 5.655 (Fr 5.695), SwFr 1.83 (SwFr 1.8575) and Y233.1 (Y234.25). Its trade-weighted index was 108.8 (109.4). Page 21

● STERLING rose 2.8 cents on the day to $1.86. It was up at DM 4.17 (DM 4.16), Fr 10.5125 (FFr 10.425) and Y433.5 (Y429.5), but was unchanged at SwFr 3.405. Its trade-weighted index was 88.7 (88.5). Page 21

● GOLD rose $4 to $428 in London. In New York the Comex November close was $427. Page 21

● EQUITIES trading was slight. The FT 30-share index was 0.8 up at 468.5, a gain of 6.6 on the week. Page 22



● GILTS: the Government Securities index improved 0.15 to 61.16, which is 1.5 per cent up on Monday's five-year low. Page 22

● WALL STREET was 10.75 up at 843.7 near the close. Page 18

● UK TREASURY BILL rate fell 0.2918 per cent to 15.6619 per cent at yesterday's tender. Money Markets Page 21

● WEDD DURLACHER Mordaunt, the country's largest jobber, will not pay its staff their usual half yearly bonus for the six months to the end of October. Back Page

● YUGOSLAVIA is expected to scale down the amount of its planned $400m (£222m) euro-credit after "initially disappointing" discussions with commercial bankers said the country's Central Bank Governor, Dr Ksente Bogoev in London.

● JAPAN is considering *setting up a cabinet council to* deal with its growing trade surplus. Back Page

● ICI AND BP are among 12 major companies associated with a government initiative to support biotechnology research. Back Page

COMPANIES

● NISSAN MOTOR, Japan's second largest car maker, reported a 15.4 per cent drop in unconsolidated net profits to Y42.12bn (£97m) for the half-year to September 30. Page 19

● DAVIES AND NEWMAN Holdings, operator of Dan-Air, shipbroker and ships' agent, reported increased pre-tax losses of £1.99m (£716,000) for the first half of 1981. Page 16, Lex Back Page

● MITCHELL COTTS GROUP, the transport and engineering company, will buy out the 28.5 per cent of minority shareholdings in its South African subsidiary, Mitchell Cotts Limited, for £8.7m. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Excheq. 12½pc 1990 £83⅜	+	⅜
Treas. 12¼pc 2003/5 £79¼	+	⅜
Argyll Foods	89	+ 5
Baggeridge Brick	68	+ 7
Berec	130	+ 3
Breengreen	55	+ 4½
Caparo	30	+ 3
Coates Bros. A	48	+ 3
Gill and Duffus	148	+ 6
Glaxo	410	+ 4
GUS A	390	+ 7
M'heath 54.6pc Pfd.	115	+ 5
Mills and Allen	428	+ 18
Polly Peck	336	+ 11
Prop. and Reversny.	147	+ 5
Provident Financial	103	+ 5
Sainsbury (J.)	445	+ 10
Tube Invs.	100	+ 4
UBM	52	+ 5
BP	308	+ 8
Shell Transport	380	+ 18
Tricentrol	264	+ 18
De Beers Dfd.	350	+ 10
FALLS		
Bowater	192	− 7
Cole (R. H.)	40	− 4
Davies and Newman	85	− 10
Finlan (J.)	166	− 6
Grindlays Bank	186	− 4
Hanson Trust	269	− 7
ICL	37	− 3
Legal and General	200	− 8
Miller (S.)	9	− 3

Ford offers increase of 4.5 per cent for efficiency guarantee

BY PHILIP BASSETT, LABOUR STAFF

FORD YESTREDAY offered its 54,000 manual workers pay and allowance increases worth an average of 4.5 per cent, in return for improved efficiency.

The Ford offer seems bound to increase support among BL workers for the threatened strike over a lower offer of 3.8 per cent, despite the differences in profitability between the two companies.

Ford had pre-tax profits of £226m last year and BL had pre-tax losses of £387.5m.

BL employees will inevitably compare the state-owned company's refusal to raise its offer with Ford's rapid movement yesterday from its initial refusal to make an offer without first securing union agreement on improvements in efficiency.

Ford's offer, which the company says is not final, also has far-reaching implications for the progress of this year's pay round. The offer is the highest in the private sector so far.

Ford at first yesterday refused to reply to the unions' claim for an across-the-board weekly rise of £20 on basic rates unless the unions accepted that there had to be "real efficiency improvements" to fund the offer.

The unions refused to commit themselves without money on the table, so Ford proposed rises in basic rates of £3.56 to £5.16 a week, and rises in an attendance supplement of 44p to 56p.

The company said that the offer, weighted across its five grades, was worth 4.5 per cent, though the union side put it at 4.1 to 4.5 per cent. *Their* estimate, though, did not seem to take into account the supplement.

For the 20,300 workers in Grade B, the offer would mean a basic rate increase from £97.52 to £101.52, and a rise in the supplement from £6 to £6.50, giving a total new money increase of £4.50, or 4.3 per cent.

The company rejected the unions' claims for shorter hours and pension improvements. The unions will return for further talks on November 9, but Mr Ron Todd, Transport and General Workers Union national organiser and the leading Ford union negotiator, described the offer as "contemptuous," and claimed that price increases would devalue it within four weeks.

The offer was "conditional upon successful implementation and continued operation of agreed efficiency improvements in each plant."

The unions have not rejected the company's calls for increased efficiency but insist that their price is £20 a week on basic rates.

The company is seeking improvements in five key areas: workforce mobility; co-operation in new technology and work systems; the avoidance of inefficient restrictions and demarcations; full overtime flexibility; and the avoidance of lost time during working hours.

Mr Paul Roots, Ford's industrial relations director, warned the unions that all employees face a hard task to retain their jobs. Any increase in wage costs not offset by improved efficiency could threaten such plants as the Thames foundry.

Ford's pre-tax profits last year were the worst since 1976, and forecast a further fall this year, he said.

Final hope for BL peace rests with Acas talks

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE LAST hope of averting the strike at BL from midnight tonight rests on last-minute talks between management and the unions at the Advisory, Conciliation and Arbitration Service (Acas) today.

The sense of crisis which has *grown in the last few days of* hectic meetings, charge and counter-charge was underscored by the announcement last night that Mr Patrick Jenkin, the Industry Secretary, will meet the unions' general secretaries before the Acas talks to explain the Government's position—the first time the Government has allowed itself to be seen to be involved.

Mr Jenkin made it clear he would not be negotiating, and that he was responding to a request by Mr Alex Kitson, deputy general secretary of the Transport and General Workers' Union, BL's largest union.

Earlier Sir Michael Edwardes, BL chairman, saw Mr Michael Foot, the Opposition Leader, to ask him to persuade the union leaders to call off the strike.

Mr Foot told Sir Michael he did not believe it was his job to act as a negotiator and therefore could not ask them to accept the offer. He believed the unions wanted to resume negotiations and both sides should meet again.

Shop stewards throughout BL were yesterday finalising plans for picketing the plants. The aim will be to prevent cars leaving the factories and barring any workers wanting to report for work.

A potential source of trouble could be the company's 15,000 white-collar workers, who have voted by about two-to-one to accept the offer and to ignore the manual workers' picket lines.

Mr Jack Carr, national official for the white-collar engineering union AUEW Tass, last night warned his 3,500 members *to stay away and said* the manual workers "would not be very happy" if they attempted to work.

Prospects for today's talks remained bad last night. Mr Ken Cure, the Amalgamated Union of Engineering Workers' executive member for West Midlands, said: "We will be going with an open mind but I think the company will be going with a closed one."

But the TGWU, firmly committed to the strike, has made it clear in the Acas talks that the decision is up to its negotiators and to the workforce.

Both the TGWU and the AUEW have made it clear that a strike could not be called off without reference to the negotiators and to mass meetings.

Christian Tyler, Labour Editor, writes: The BL crisis has prompted a small businessmen's lobby to call for a national referendum on trade union power. The Union of Independent Companies, a breakaway from the CBI, is seeking an urgent meeting with Mr Norman Tebbit, Employment Secretary. He will be told that the Prime Minister should now act on her suggestion while in Opposition that major industrial relations confrontations might require a referendum.

Editorial comment, Page 14
BL's sickbed, Page 3

Saudi reduces crude oil output

BY RICHARD JOHNSON IN GENEVA AND MARTIN DICKSON LONDON

SAUDI ARABIA, the world's biggest oil exporter, is to cut its output of crude by more than 500,000 barrels a day from tomorrow to a production ceiling of 8.5m b/d.

This maximum rate, which will reduce the current international glut of oil, is aimed at consolidating the new price structure agreed *by members* of the Organisation of Petroleum Exporting Countries at their conference in Geneva on Thursday.

Saudi Arabia is believed to have been producing between 9m and 9.5m b/d this month. It has kept up a high output despite the glut as part of a campaign to re-align Opec prices.

Sheikh Ahmed Zaki Yamani, Saudi Minister of Oil, announced the new rate at a Press conference in Geneva yesterday. He gave notice, however, that Saudi Arabia would be prepared to review and change the limit if oil demand pressures threatened to destabilise the re-unified Opec price structure. This is based on a reference price of $34 per barrel for Saudi light crude but sets a differential of up to $4 on top of that for higher quality crudes.

Sheikh Yamani also confirmed $23 to $34 was back-dated to the that the Saudi price rise from beginning of October.

On the basis of official prices agreed at the conference and the new system of differentials it adopted, Sheikh Yamani calculated that the OPEC weighted average price would rise by only by about 50 cents. In practice, however, he reckoned the amount would be only "10 cents or so" because of the various discounts being offered.

There remained some confusion last night as to what differentials OPEC's high priced African producers — Algeria, Libya and Nigeria—had committed themselves.

A communique issued in Geneva on Thursday seemed to indicate a top price for Algeria and Libya of $39, while Nigeria was reported to be on $37.

However, Sheikh Yamani was sceptical yesterday whether Nigeria could sustain a top

Continued on Back Page
Solidarity proves costly, Page 2

£ in New York

—	Oct. 29	Previous
Spot	$1.8450-8470	$1.8215-8235
1 month	0.12-0.08 dis	0.10-0.05 dis
3 months	0.10 dis-nil	0.10 dis-nil
12 months	0.90-1.10 pm	0.90-1.10pm

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For latest Share Index phone 01-246 8026

Rush for Cable & Wireless shares

BY CHRISTINE MOIR

SEVERAL THOUSAND would-be speculators took advantage yesterday morning of the one-way circuit thoughtfully provided by National Westminster Bank, managers to the £224m sale of shares in Cable and Wireless, to submit multiple applications for the shares.

They will not know until Monday whether walking round and round the Drapers Gardens headquarters gained them anything but healthful exercise.

Kleinwort Benson, the lead underwriter to the issue, let it be known yesterday afternoon that the offer for sale of 133.29m shares in Cable and Wireless had been oversubscribed. But not by how much.

The basis of allotment will not be known until Monday, after a weekend of frantic sorting and counting by several hundred staff at National Westminster.

The bank was clearly prepared for a large crowd of last-minute applicants, judging by the flow of postal applications all week, delivered a dozen sacks at a time by the Post Office.

It opened up a rarely-used outside staircase to the podium floor of its Drapers Gardens branch, herding applicants in a constant stream up the stairs, past the double counter and down the back staircase—to make another trip round the block if they had more than one envelope to deliver.

The queue, which started to move at 6.45 am, was several deep until the doors closed at 10.01 precisely, but there was no front-of-house turmoil.

Behind the scenes it was a different matter, as staff tangled with hundreds of thousands of forms.

"Some people can't read instructions," one harassed official complained, "We've got cheques here attached to forms with matches, hairpins and industrial staples. We asked for pins."

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Mobil in $3.4bn bid for share of Marathon

BY PAUL BETTS IN NEW YORK

MOBIL, the second largest U.S. oil company, which lost out to Du Pont in the takeover battle for Conoco last summer, returned to the acquisition trail yesterday with a $3.4bn (£1.8bn) bid for a two-thirds interest in Marathon Oil, the 17th largest U.S. oil company.

Marathon, which has been bedevilled by takeover speculation all year, declined to comment on Mobil's surprise bid but was widely expected to reject Mobil's advances, setting the stage for another major takeover battle in the U.S. oil industry.

In an apparent effort to avoid repeating the numerous strategic errors it made in its unsuccessful attempt to acquire Conoco, Mobil yesterday acted without advance warning. It announced that it was immediately starting a cash tender offer for up to 40 million Marathon common shares at $85 a share.

Before they were suspended, Marathon shares were trading at about $45 a share on the New York Stock Exchange. Yet the stock has reached $82½ in the past 12 months, although, like other U.S. oil stocks, it has been depressed in recent months.

Mobil said yesterday that its offer for two-thirds of the outstanding shares of Marathon was conditional upon a minimum of 30m shares (or 51 per cent) being tendered and not withdrawn before the expiry date of December 1.

Mobil also said it was reserving the right to buy more than 40m shares and that if it acquired at least 30m, it would seek to buy all the remaining Marathon shares through a merger, an exchange offer, or both.

Continued on Back Page

Linfood management buys out delivery offshoot

BY RAY MAUGHAN

LINFOOD HOLDINGS, which is resisting a bid worth £87m from Argyll Foods, is selling its delivered food wholesale business to certain senior members of its own management for an estimated £21m.

National Westminster Bank is putting up £14m in cash in the form of a medium-term loan and working capital finance to the six senior managers of the delivered wholesale division, and the balance of the buy-out price comprises £7m in loan notes, repayable from 1985.

Linfood said yesterday that the division, which supplies VG and Spar independent retail groces, "did not have the same potential for growth as the rest of the group." Mr Alec Monk, the chairman, said that "the board had been working on the *sale since July, and the deal* had nothing to do with the offer from Argyll at all."

The delivered wholesale chain made profits of £100,000, after exceptional rationalisation costs of £350,000, in the year to April 25 on sales of £259m.

"Although a more satisfactory level of profits could be achieved in the medium term," Linfood said, "The board believes that this would be a time-consuming and costly exercise and would still not provide a significant contribution in the context of the group's total earnings."

The six purchasers, undertaking one of the largest buy-outs so far, are headed by Mr Sean Nugent, the senior executive. None is a main board director.

Linfood described the disposal as "a most important step in re-shaping the group and *concentrating resources on* activities with the greatest profit potential."

GM sells $53m plant to workers, Back Page

OVERSEAS NEWS

AT and T rejects Japanese contract bid

By Paul Betts in New York

AMERICAN Telephone and Telegraph (AT and T), the dominant U.S. telephone company, has rejected a bid from Fujitsu of Japan to build part of a fibre optics communications system, claiming it was not in the national interest.

Instead, the telephone company awarded the $75m (£41.2m) contract to Western Electric, its own manufacturing subsidiary, although Fujitsu submitted a lower bid.

AT and T confirmed that the Japanese company had submitted the lowest bid for part of the 776-mile long light wave communications network on the American East Coast, due to be completed in 1984. Seven other U.S. companies, including AT and T's Western Electric subsidiary, competed for the contract.

The telephone company said that it would not have been in the country's interest to award the contract to Fujitsu, Japan's largest computer manufacturer, on the grounds that a large part of the technology for the new system using glass fibres would be developed as the work was being carried out.

Moreover, there was mounting pressure on Capitol Hill against a foreign company winning the contract. The rejection of Fujitsu's low bid could touch off Japanese protests in the already strained climate of trade relations between the U.S. and Japan.

In the case of the telecommunications market, Japan finally agreed to open its market last year to U.S. manufacturers of telecommunications equipment by allowing these companies to compete for Nippon Telephone and Telegraph contracts. In the past, U.S. companies were barred from the Japanese telecommunications market.

McDonnell order

A contract has been offered to McDonnell Douglas for production of the first 60 of the U.S. Navy's F-18 "Hornet" aircraft — America's most expensive fighter—Mr John Lehman, Navy Secretary, said. Reuter reports from Washington. Pentagon officials said the fighter will cost about $22.5m (£12.5m) each.

Chad demands Libyan troop withdrawal

BY MARK WEBSTER IN PARIS

THE GOVERNMENT of Chad in central Africa appeared to be heading towards a showdown with Libya yesterday after a surprise demand by Mr Goukhouni Oueddei, Chad's President, that the 10,000 Libyan troops in his country should withdraw immediately.

The demand came soon after the departure from the Chadian capital, N'djamena, of Major Abdessalam Jalloud, Colonel Gadaffi's deputy. Major Jalloud met President Goukhouni three ties and denied earlier reports that Libyan soldiers had backed an attempt to overthrow his government.

"We are in Chad at the wish of the Chadian Government. The day they ask us to leave we will go," said Major Jalloud before returning to Tripoli. The Libyans intervened in Chad in December 1980 to help President Goukhouni defeat his main rival, Mr Hissein Habre.

But President Goukhouni has increasingly distanced himself from the Libyans and is encouraging international efforts to form a pan-African peacekeeping force. Nigeria and Senegal have already promised to supply troops for such a force and France would probably be asked for logistic assistance.

Efforts to put together such a force have been moving faster recently, largely because of rumours that the Libyans intended to replace President Goukhouni with Mr Ahmet Acyl, the Foreign Minister, who has long been Libya's closest ally in the present Chadian Government.

Meanwhile, President Gaafar Numeiri of Sudan has called on African nations to boycott next year's Organisation of African Unity summit in Tripoli, and has accused Col. Gaddafy of being unfit to head the organisation.

Agencies add: The French External Relations Ministry, which had earlier declined to confirm or deny reports from Chad, said today it had noted Mr Goukouni's statement.

Italy decides to join Sinai peace force

BY RUPERT CORNWELL IN ROME

ITALY yesterday became the first EEC country to announce its participation in the planned international peacekeeping force in the Sinai after Israel completes its withdrawal from the peninsula, scheduled for next April.

The Rome Government is above all concerned that its decision, which it expects to be quickly followed by Britain, France and Holland, the other mooted EEC partners in the scheme, is not taken as a mere underwriting of the Camp David peace progress.

This has been rejected by most Arab countries and at the Venice summit of June, 1980, member countries acknowledged its limitations with a formal declaration that not only must Israel withdraw to its pre-1967 frontiers, but that the Palestinians must be associated with the negotiations.

The size of the Italian contribution to the force, which will comprise U.S., Egyptian, and Israeli troops as well as contingents from other countries, was not revealed. But it is likely to consist of up to three patrol vessels, and possibly a corps of engineers.

AP adds from Tel Aviv: Israel welcomed the decision of any foreign country to participate in the peacekeeping force, a Foreign Ministry official said yesterday.

Arafat support for Saudi peace plan

BY IHSAN HIJAZI IN BEIRUT AND OUR FOREIGN STAFF IN LONDON

SUPPORT FOR the eight-point Middle East peace plan proposed by Crown Prince Fahd of Saudi Arabia appears to be growing. After qualified statements of support from the U.S., Mr Yasser Arafat, chairman of the Palestine Liberation Organisation, said yesterday that he thought the Saudi plan contained "positive elements."

Mr Arafat was quoted as saying that the Saudi plan provided, for the first time, for "co-existence" with Israel and that it would be brought before next month's Arab summit in Morocco.

In an interview with the Beirut daily An Nahar, Mr Arafat repeated his support to the plan which was put forward last August. It calls for the establishment of an independent Palestinian state in the Israeli-occupied West Bank and Gaza and recognises the right of all states in the region to live in peace.

Mr Arafat was quoted as saying: "Prince Fahd spoke about co-existence. This is something new, because for the first time Saudi Arabia speaks about, or uses, the word "co-existence." Because of this the plan includes positive points. We shall discuss the details at the forthcoming Aram summit."

The guerrilla leader declared that opposition by certain Arab countries to the Saudi plan was not so much about substance as about their feeling that Prince Fahd had acted on his own and without prior consultation.

After earlier dismissing the plan as "nothing new", the U.S. Administration said on Thursday that some of its points may be absorbed into the Camp David peace process and that it may lure moderate Arab nations into participation.

"There are aspects in the eight-point proposal made by Crown Prince Fahd by which we are encouraged," said Mr Alexander Haig, the Secretary of State.

President Reagan told reporters that "the most significant part is the fact that they recognise Israel as a nation to be negotiated with."

Mr Haig added that the Fahd plan included "a direct and implicit recognition of Israel's right to exist. There are other aspects of these eight points . . . which are issues that must be negotiated by the parties."

Mr Arafat was non-committal when asked about the PLO's attitude towards Egyptian President Hosni Mubarak.

President Bourgiba: dominated Tunisian politics for 50 years

Polling gives Tunisians first political choice

By Francis Ghilès in Tunis

WHEN TUNISIAN electors go to the polls on Sunday, they will have a chance to vote for candidates representing different political parties for the first time since Tunisia gained its independence from France 25 years ago.

Three parties are canvassing for support apart from the Socialist Destourian Party (PSD), which President Habib Bourguiba founded nearlyl 50 years ago and has enjoyed a monopoly of power since 1956. These are:

- The Social Democratic Movement (MDS) led by Mr Ahmed Mestiri, the former Minister of Defence, who was one of the architects of Tunisian independence;
- The Communist Party, which is operating in the open for the first time since 1963;
- The breakaway faction of the Movement de l'Unite Populaire, which is still led from exile by Mr Ahmed Ben Salah, the country's economic overlord in the 1960s, whose socialist expériment ended in economic disaster in 1969.

Tunisia's Islamic fundamentalists, who have been very active recently, and the Pan Arab pro-Libyan Rassemblement National Arabe, have both had their electoral ambitions dashed by Mr Bourguiba's insistence that all parties must not be bound, ideologically or materially, to any foreign group.

The campaign, which has lasted less than two weeks, has been marred by violence and intimidation in Tunis and other provincial capitals. Groups of roughnecks, including elements of the PSD's private militia, have resurfaced, having adopted a low profile since the riots of January 1978.

This has led the MDS to suspend electoral meetings, although Mr Mestiri insists there is no question of his party withdrawing from the campaign or the election.

Some employers have asked workers to bring the green election slips for MDS candidates to their workplaces next Monday, offering the workers the equivalent of £10 for their pains.

Many MDS, MUP and Communist sympathisers have been threatened with the loss of their jobs or with a beating.

It would thus appear that many officials and local PSD members find it hard to give up habits of political monopoly they have enjoyed for so long. Equally, though, the PSD has gone to great lengths to rejuvenate its list of candidates, who in many cases are as keen as Mr Mestiri's men to introduce reforms.

Mr Mestiri's aim is not to provide an alternative platform. He supports Mr Bourguiba's policies on the mixed economy, the emancipation of women and a moderate foreign policy.

Tunisia's more liberal domestic policies are the product of Mr Mohammed M'Zali, the Prime Minister. The liberalisation began 18 months ago, when Mr M'Zali replaced the conservative Mr Hedi Nouira as Prime Minister.

Mr Nouira had managed to move the economy along at a healthy 6 per cent growth rate per annum, but agriculture and the hinterland were badly neglected throughout the 1970s in favour of developments on the coast and tourism.

Alarm bells started ringing in January 1980, after a Libyan-backed raid carried out by Tunisian dissidents against the southern city of Gasfa. The acquiescence of the population was a warning that a more inspiring figure was needed at the helm than Mr Nouira.

Few Tunisians believe the election results will provide a fair and true picture of the country's feelings. But if a few opposition candidates are elected, as would appear inevitable in Tunis, the "ouverture" may be able to proceed.

The path will not be easy, but can never run its course as long as Mr Bourguiba remains at the helm. He is nearly 80, and has dominated his country's politics for nearly 50 years —25 of them as President. He is alert, despite a long period of illness in the 1970s.

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Richard Johns, in Geneva, analyses this week's oil-price decision

Opec solidarity proves costly

"YOU CAN pronounce to the world that right now the Organisation of Petroleum Exporting Countries has a unified price," declared Dr Subroto, the Indonesian chief delegate, following the conference that ended 32 months of pricing disarray by members.

The current Opec president was jubilant. Dr Subroto's pleasure was reflected in the words and faces of most, if not all, of the other leading participants.

In finally setting a common reference price of $34 per barrel, and agreeing on a system of differentials, Opec has achieved peace, or at least a truce, among members. The conference marked the end of a battle lasting the best part of three years.

It has been a costly one in terms of damage to Opec solidarity at a critical time of slack demand and soft market conditions.

The organisation can now face up with a degree of unity to a period—variously estimated from four to five years to up until the end of the decade—when Opec prices are generally reckoned to rise only slightly in real terms. That, however, remains to be seen.

Meanwhile, general satisfaction at the outcome of Opec's 61st conference is understandable from one point of view, but not from another.

As a producers' association formed in 1960 to protect the members' interests against what appeared then as the monolithic strength of the multinational oil companies — which unilaterally reduced prices in the late 1950s—Opec has always, like a trade union, set great store by solidarity and brotherhood.

At the same time, the organisation's basic *raison d'etre* has from the start been the maintenance and improvement of oil revenues in real terms.

Yet Opec prices have been in disarray since February, 1979, when some members, out of opportunism and faulty appraisal of market realities, took advantage of the consumers' and oil companies' anxiety, caused by the Iranian Revolution, to escalate prices.

At that point, the official price for Arabian light 34 degree crude, the established "marker" or reference, rose 13.34 per barrel.

OPEC OIL PRICES

Country	Production (August 000 b/d)	Specific Gravity API	Estimated Price ($)	Change on previous ($)
Saudi Arabia	10,200	34	34	+2.0
Iran	1,100	34	34.20	−2.8
Iraq	800	35	35.11	+1.8
Kuwait	630	31	33	−2.5
UAE	1,476	39	35.7	−0.86
Qatar	295	36	35.65	−1.58
Algeria	600	44	38	−2.0
Libya	700	41	37.90	−2.0
Nigeria	708	37	37	−3.02
Gabon	150	—	34	+2.5
Indonesia	1,600	35	35	no change
Ecuador	200	—	34.25	+1.75
Venezuela	1,960	31	35.50	−0.50

No less than five times Saudi Arabia tried to bridge the gap with the maximalists in the hope of re-aligning and stabilising prices. In the process, its price rose to $32 at the beginning of this year, but the rates charged by Algeria, Libya and Nigeria by then had reached $40.

For several, especially such hard-liners as Algeria and Libya, the experience has been somewhat traumatic. Only now has it corralled them within a structure bearing more reality in terms of the market. However, other members have consented for the first time to lowering prices.

It was in line with Saudi Arabia's traditional concern about the economic well-being of the world that it opened its taps last November to help make good the short-fall in supplies resulting from the Iraqi-Iranian war.

But, though the increase in Saudi shipments to 10.3m barrels a day fell short of the loss of exports by the two Gulf producers, the extent of the market surplus became more marked than ever.

Nothing could have more convincingly borne out the Saudi thesis about oil being overpriced than the fact that, despite the Gulf conflict, the glut became worse, with production in excess of demand amounting by the early summer to 2.5m-3m b/d, or roughly 5 per cent of global consumption.

Opec output fell from 31.6m b/d in 1979 to 27.6m b/d in 1980 and as low as 21.6m b/d in the third quarter of 1981. At the same time, Saudi Arabia has recently been producing about 50 per cent of the Opec total.

The Kingdom alone of all members appreciated early and fully the dangers of the association undermining its own long-term strength and interests by setting too high prices.

Early in February of this year, Sheikh Ahmed Zaki Yemani, Minister of Oil, revealed Saudi apprehensions about its own future position in the market and its financial power being seriously weakened by the 1990s as a result.

In the spring, as Saudi output still ran at 10m-10.3m b/d, Sheikh Yemani said defiantly that his Government had "engineered" the glut to force down prices and bring about re-alignment.

Saudi Arabia failed at two conferences here, in May and August, to bring about a common price structure. The critical factor in achieving one this week was Nigeria's capitulation.

Financially squeezed, it cut its official rate by $4 in September, and last week offered unprecedented credit terms amounting to the equivalent of a further reduction of $1.50, putting the West African member $5-5.50 out of line with Libya and Algeria.

At this conference the most critical issue concerned the maximum permissible differential for the light, sulphur-free and shortfall crudes of the three African producers.

The formal agreement reached set the limit at $4. Dr. Subroto insisted yesterday that was the new rate. But Mr Belkacem Nabi, Algerian Minister of Oil, and Mr Abdul-Salam Zagaar, his Libyan counterpart, left the impression that they were free to charge anything from $37 to $38.

Nigeria will have a rate of $37, but will fulfil contracts entered into on the basis of a differential of $2.50, as a result of last week's decision by Lagos.

No one pretends that the package of differentials hastily drawn up on Thursday is perfect. It is to be subject to revision at the next conference in Abu Dhabi, set for December.

Even if — as expected — the market hardens a little over the coming weeks, there are doubts whether a top price of $38 can be upheld.

Saudi Arabia has undoubtedly won a victory, yet also the conference could reasonably be termed a triumph for Opec as a whole.

Opec does not command the position in the energy market that it did. Now the immediate question is whether it can implement a long-term strategy policy.

Its proposals for adjusting prices on a regular basis, according not only to inflation in the costs of imports and currency fluctuations, but also the growth of the industrialised world, were not approved by Algeria, Libya and Iran, which wanted the formula promising bigger gains.

Realisation of such an aim would require Saudi Arabia to commit itself to limiting its own output. Once again, Sheikh Yemani has ruled out such a possibility. Opec now is still a force to be reckoned with, albeit a less formidable one in the medium-term. The lesson of the past year is that the association is more dominated than ever by the Kingdom.

Deadlock on grounded submarine

BY WESTERLY CHRISTNER IN STOCKHOLM

A STALEMATE was reached yesterday in the Swedish military's attempts to determine how a Soviet submarine penetrated a restricted, high-security area in the island belt off the south-east coast of Sweden. Running aground there on Tuesday night, a Swedish Navy official said.

The commander of the stranded submarine, Capt Piötr Gusin, refused to co-operate with the Swedish Navy's request for him to board a Navy ship and answer questions, the official said.

"All we can do now is wait." The submarine will not be salvaged by the Swedes until their investigation has been completed.

In order to complete the inquiry, Capt. Gusin would have to allow Swedish military officials to board the submarine, inspect it and question crew-members the official went on. "The captain has said that no one will leave the submarine and that no documents will be handed over."

The official Soviet version of the incident was that the submarine's gyroscope was defunct, causing it to wander into the restricted area. The explanation has been rejected by the Swedes.

West Germans 'less pacifist'

BY JONATHAN CARR IN BONN

WEST GERMANS are — in general—more pro-U.S. and less inclined to pacifism or neutralism than they have been for years.

This surprising conclusion emerges from a poll by the respected Allensbach Opinion Research institute at a time of intense public debate here about Nato's nuclear missiles strategy and weeks after a huge "peace demonstration" in Bonn attacking U.S. policy.

But 56 per cent of those asked said they liked the Americans and only 18 per cent said they did not. The institute has repeatedly asked the same question over the years, and this is the most pro-American response to emerge since 1965.

The reply to another question shows that a withdrawal of American troops from Europe would be regretted by more people in West Germany (59 per cent) today than at any time between 1969 and 1976.

EEC Finance Ministers start talks

By Robin Pauley

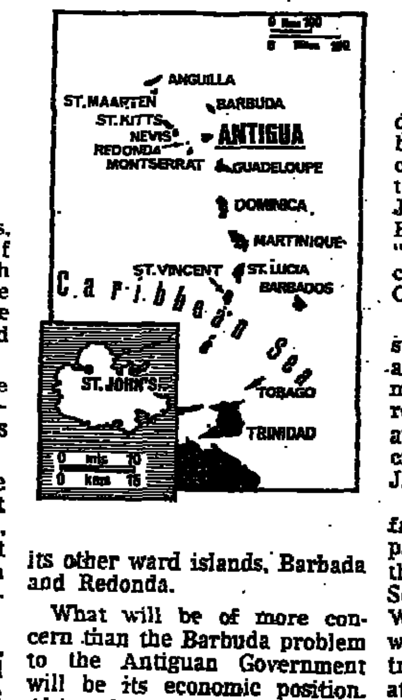
EEC Finance Ministers started a two-day meeting in London yesterday, where the main topic of discussion is reform of the community's $25bn budget.

Sir Geoffrey Howe, the Chancellor, and Herr Hans Matthoefer, his West German counterpart, are anxious that faster progress should be made on reforming the way in which member states' budget contributions are calculated. Both countries argue that their transfers to Brussels are too high. West German insistence that its contribution should be cut has been holding up talks to find a new deal for Britain.

The subject has been a constant thorn in relations between EEC states since 1979 and Britain, which now holds the chair during its six-month presidency of the EEC, is determined to try to force the pace.

The UK loses a colony on Sunday, writes Tony Cozier

Calypso for Antigua freedom



THE STREETS of St John's, the picturesque capital of Antigua, are bedecked with gaily coloured bunting. The night air is filled with the sounds of steel bands and calypso.

Thousands of expatriots are returning for the big day—Sunday—when Antigua gains its independence.

Antigua is comparatively late in claiming its nationhood. It has been preceded by Grenada, St Lucia, Dominica and St Vincent and has not been anxious to rush into independence.

Its Labour Government, headed by Mr Vere Bird and his son, Mr Lester Bird, the vice Premier, has delayed the process until it felt it was reasonably ready. Not unusually with British colonies which included more than one island, it has been held back by the truculence of the ward island of Barbuda.

Barbuda covers 62 square miles and has 1,500 inhabitants north of Antigua, which is almost double its size at 108 square miles and has a population of 75,000. Barbuda feels it has been neglected by the Antiguan Government and would rather remain British.

However, both the Bird Government and Whitehall have been firm. Barbuda will become as independent as Antigua and its other ward islands, Barbada and Redonda.

What will be of more concern than the Barbuda problem to the Antiguan Government will be its economic position. Although it has gradually recovered from the drastic slump of the 1960s and early 1970s when vital tourist industry declined, sugar collapsed and when agriculture was hit by a protracted drought, the Government goes into independence in difficult economic times.

Mr Bird junior has a strong preference for private enterprise and foreign investment, with the result that business confidence has grown.

At the same time, Antigua's Government knows that small island economies, based on such fragile props as tourism and foreign investment, are vulnerable. So are small island governments.

Havana accuses Kingston

HAVANA — Cuba said yesterday that Jamaica's diplomatic break with Havana, announced on Thursday, was decreed by the United States and accused Jamaican Prime Minister Edward Seaga of trying to be "the most loquacious leading choirboy of imperialism in the Caribbean."

The Cuban Foreign Ministry statement followed Mr Seaga's announcement that his Government had broken diplomatic relations because the Havana authorities were harbouring criminals wanted by the Jamaican police.

The Cuban statement, on the front page of the official newspaper Granma, commented that the break "was carried out by Seaga but was decreed in Washington," adding that he was following U.S. orders to contribute to the creation of an atmosphere of hostility.
Reuter

Canute James adds from Kingston: The three men are wanted in connection with several murders in Kingston. Mr Seaga said the men were in Cuba with the knowledge and complicity of the Cuban Government.

He also said that the Jamaican opposition People's National Party was an accomplice to the presence of the men in Cuba. The Jamaican police said they learned of the presence of the men in Cuba through tape recordings and letters seized from Mr Paul Burke, the leader of the youth arm of the opposition party.

Mr Burke has denied the charges.

UK NEWS

Thousands of CB radio sets already operating

By Arthur Sandles

THOUSANDS of Citizens' Band radio enthusiasts have started to use their 27 MHz FM units before the official start date on Monday.

Home Office restrictions have severely limited the supply of units to retailers until this week. Nevertheless, one estimate last night suggested that 500-600 CB sets were already in use on the new frequency in London together with thousands of illegal AM frequency die-hards.

Mr Richard Maybury, editor of Citizens' Band Magazine, suggested yesterday that the rush to buy CB equipment might be greater than predicted.

Curry's, Rumbelows, Halfords, Dixons and Tandy are among retail chains that have plunged heavily into the CB market. Most units are being imported from Japan.

Amstrad Consumer Electronics, which claims market leadership, said it aims to sell 70,000 units by Christmas. Sets would be on sale in 1,200 shops on Monday.

Fare cuts approved

NORTH ATLANTIC air fare cuts recently announced by Pan American, British Airways and Trans World Airlines, have been approved by the UK Civil Aviation Authority and will become effective from tomorrow.

The new fares include a cut from £507 to £248 in the London-New York low-season normal economy return, while BA's low season Club class return fare to New York has been reduced from £732 to £506. Fares between London and Los Angeles, Miami, Washington, Houston, San Francisco and Seattle will also be reduced.

Unfit meat

THE GOVERNMENT is pushing ahead with plans to stop unfit meat being sold for human consumption.

Changes in the law recommended by the Ministry of Agriculture include the staining of all unfit meat to prevent it being resold for human consumption, new rules to prevent unfit improted meat leaving the port of entry unless it has also been stained and sterilised and tighter controls on vehicles carrying meat. The Ministry also wants to see all meat from knackers' yards carried in clearly marked containers and the present penalties increased tenfold.

Air France moves

FROM TOMORROW all Air France flights from London and Manchester to Charles de Gaulle will use the Paris airport's Terminal 2. From next April 1, all Air France operations at Charles de Gaulle will use Terminal 2. British Airways, from Heathrow, and British Caledonian from Gatwick, will continue to use Terminal 1.

Civil Service cut

GOVERNMENT cuts have resulted in the reduction of the Civil Service to its lowest size for more than 14 years. Mr Barney Hayhoe, Minister of State for the Civil Service, stated in a written parliamentary answer yesterday that 52,500 jobs had been eliminated since the Government took office in May 1979.

Savings interest up

THE INTEREST rate on the National Savings Bank Investment Account (INVAC) is being raised to 15 per cent on December 1, only one month after the previous increase. The rate is to be raised tomorrow to 14½ per cent from 13 per cent, bringing it back to last year's peak level.

QC joins Liberals

MR LOUIS Blom-Cooper, QC, the prominent lawyer and chairman of the Howard League for Penal Reform, has resigned from the Labour Party to join the Liberal Party.

First stages of Companies Act introduced

BY IVOR OWEN

FOURTEEN MEASURES, including the Companies Act 1981 and the controversial British Nationality Act, received the Royal Assent before the second session of Parliament ended yesterday.

Some sections of the Companies Act became effective immediately.

These deal with merger and acquisition accounting (share premium account); measures designed to alleviate difficulties in the field of voluntary liquidation and "too alike" company names arising from the Civil Service dispute earlier in the year.

Because of the dispute, the index of company names at Companies House was not updated between March 18 and August 23.

New companies with names closely similar to established businesses may have been registered during this period, and to take account of this, the Act empowers the Trade Secretary to direct a change of name—normally only possible within six months of registration—until February 23 1982.

The Act further recognises difficulties arising from the dispute by allowing the voluntary winding-up of a company to proceed as a members' voluntary winding-up where, because of industrial action, the statutory declaration of solvency was not delivered to the Registrar of Companies within the prescribed period.

In the absence of such a declaration, the liquidation normally would have to proceed as a creditors' voluntary winding-up, which is a much more onerous process, both administratively and in the costs borne by a company.

Another provision of the new Act which took immediate effect, relaxed the terms of Section 56 of the 1948 Companies Act, requiring the establishment of a non-distributable share premium account following acquisition and mergers effected by way of a share exchange.

This change applies retrospectively to deal with the effect of a High Court decision in 1980 (S. Shearer v. V. Ercain), which would otherwise have required companies to rework their accounts, possibly over many years.

The Government intends to bring into force before Christmas the provision in the Act which relaxes the old Section 54 prohibition against providing assistance for the acquisition of shares; re regulation on disqualification of directors and virtually all of Part Five, which includes measures on company investigation and fraudulent trading.

The Register of Business Names is expected to be abolished at the end of February.

The remaining provisions, including Part One on reporting for small company accounts, the purchase of shares by companies, and the controversial Part Four on the disclosure of interests in shares, are also likely to come into force at about that time.

Controversy over the British Nationality Act, which restricts entitlement to British citizenship, persisted until the final stages of the session with Conservative peers joining Opposition and church leaders in warning that it is likely to increase racial tensions in Britain.

Assured can cancel 'slips' until underwriters sign

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

CONTRACTS contained in insurance "slips," and amendments to them, can be cancelled by the insured person at any time until they have been signed by all the subscribing underwriters, the High Court ruled yesterday.

In a decision of general importance to the insurance world, Mr Justice Staughton held in the Commercial Court that a custom and practice in the London insurance market that an original slip could be cancelled while going the rounds of the market, extended to amendments to the slip.

A "slip" is a piece of paper on which a broker obtains a series of signatures of underwriters prepared to accept a proportion of a risk. It is commonly treated as a contract which does not have to be superseded by a policy.

The judge said that his ruling applied generally, although it was made in a dispute about a risk placed in the non-marine market, with companies, as opposed to Lloyd's underwriters, and for reinsurance, rather than direct insurance.

He said that the initialling of a slip created a binding contract. It was accepted, however, that in a case of over-subscription all the proportions subscribed could be reduced by the assured—a process known as "writing down."

The question was whether, by custom or practice or for reasons of business efficacy, there were other instances where the assured could unilaterally alter the contract.

While an original slip was going round the market, and not yet subscribed for 100 per cent, those underwriters who had signed accepted that it might be cancelled, although they might require time-on-risk premium if the cover had already begun. The reason for the cancellation was not regarded as relevant.

No such custom and practice appeared to exist with reference to amendment slips as such; but the judge could see no reason why that relating to original slips should not extend to amendments.

He held that an assured was entitled to cancel an amendment until it had been initialled by all the original underwriters, provided he did so within a reasonable time and paid the appropriate time-on-risk premium.

The reasons of business efficacy which required the right to cancel an original slip equally supported the right to cancel an amendment, he said.

The ruling was given in a dispute concerning specific reinsurance by General Reinsurance Corporation of risks insured by Forsakringsaktiebolaget Fennia Patria in connection with consignments of paper, one of which was destroyed by fire in an Antwerp warehouse covered by the specific reinsurance.

GRC, the first of 28 specific reinsurers, had initialled a retrospective amendment slip which, if binding, would make the specific reinsurers liable for FM (Finnish Marks 2m of the FM 27m loss, rather than FM 12m if the amendment was not binding.

Fennia contended that it had cancelled the amendment; GRC contended that it was binding, evn though it had not been signed by all 28 reinsurers.

The judge held that Fennia had been entitled to cancel. He also held that none of the destroyed paper had, at the time of the fire, passed into the ownership of the intended customers and that GRC was therefore liable for the whole of its proportion of the risks.

Judgment was given for Fennia for FM 3,409,195, with interest of FM 1,477,315.

Pearson not to bring suit over Fairey Holdings

BY CHRISTINE MOIR

S. PEARSON & SON has decided not to sue the former National Enterprise Board, now called the British Technology Group, over Fairey Holdings, the engineering company it bought from the NEB for £22m in June last year.

Fairey was originally forecast to make profits of £5.5m in 1980, and Pearson's £24m offer outbid an institutional consortium.

The price was reduced to £22m when Fairey's profit forecast was reuced to £4m.

In the event, Fairey lost £2.8m pre-tax in the 12 months to last December, and Pearson announced that it was taking legal advice whether to sue the NEB over the discrepancy.

Since then the engineering business has returned to profitability. In the six months to June it made profits of £1.1m. Yesterday Pearson announced that orders received in the first nine months of this year amounted to £85m, compared with £61m for the whole of last year.

As a result, and following reports from Deloitte Haskins & Sells, investigating accountings, and D. J. Freeman and Co., solicitors, Pearson said that it had decided "to take no further action in connection with any claims arising from the acquisition."

Fairey was now trading profitably, the company added.

Japanese deal a major breakthrough for Perkins

BY ALAN PIKE

PERKINS Engines of Peterborough is to supply a full range of industrial power units to Nishihatsu, a Japanese equipment manufacturer.

Nishihatsu has been buying Perkins engines for several years, but the agreement represents an important advance in Japan. Mr John Harding, head of Perkins operations in Japan, and Mr Kentaro Yoshimaru, president of Nishinihon Generator (Nishihatsu), will sign a formal contract soon.

Nishihatsu produces about 1,000 diesel-powered generator sets a month. Under the agreement—on which Perkins was not prepared to put a price yesterday—the company will supply its four-cylinder 4.236 and a new range of six-cylinder units.

Mr Shuzo Yoshimaru, Nishihatsu's export director, said yesterday that Perkins's worldwide service network had been a major factor in the decision to make the agreement.

● Trade unions have blocked plans by the Perkins diesel engine company at Peterborough to make 750 workers redundant.

The men volunteered for redundancy as part of a cutback in the 6,000-strong production force because of a slump in world sales. They were due to leave the factory yesterday, but only 300 of the volunteers were allowed to go.

The company said the unions had refused to agree to a change in working practices

ICL likely to reveal trade upturn

By Guy de Jonquieres

ICL, Britain's leading computer manufacturer, is due to hold wide-ranging talks with the Industry Department shortly on the company's progress towards recovery and its future financial relationships with the Government.

The company's management is expected to report faster-than-expected improvements in its trading performance and order book in recent weeks. It lost £50.6m in its first half to March 31 and has warned that it is unlikely to break even during the second half of the financial year.

The discussions are also expected ot cover ICL's plans for a capital restructuring, the future of its £200m bank loan guarantee from the Government, which expires in less than 18 months, and the financing of its new technology and marketing agreement with Fujitsu of Japan.

Mr Christopher Laidlaw, chairman, confirmed yesterday that the company has approached the Industry Department about obtaining credit from Japans Export-Import Bank to finance the purchase of Fujitsu computers which ICL plans to market in Europe.

He said this was "one of the ways open to ICL to finance its purchase, and would normally require a formal request by the British Government and the provision of a guarantee. He declined to comment on reports that the Japanese Export-Import Bank is demanding guarantees totalling £100m.

Appointments, Page 17

NEB offshoot lands videotex export deals

BY GUY DE JONQUIERES

AREGON, the small state-backed British company established to market videotex information systems abroad, has won new orders in five foreign countries which it expects to lead to substantial further business.

One of the orders is from Canada, hitherto considered a closed market because of the strong position of Telidon, a competing system for transmitting two-way computerised information which has been heavily supported by the national telecommunications authority.

Aregon is to supply one of its IVS-3 videotex systems to Nabu Manufacturing, a Canadian company which sells equipment for cable television networks. Nabu plans to use the IVS-3 to launch a videotex service for cable television.

The second order has been placed by Computer Power, an Australian company which plans to start a private videotex service. The Australian Government recently shelved plans to launch a public service which would have been based on British Telecom's Prestel.

Aregon has also been chosen to supply the system which will be used as the basis for the South African Post Office's planned national videotex service. The two other orders are from the Italian telecommunications authority, which has already bought videotex technology from British Telecom, and from the Irish Institute for Industrial Research.

The total value of the orders has not been disclosed. But Aregon said yesterday it expects them to generate further business worth about £700,000 in the next nine months alone.

Videotex uses telephone lines or cable to link simple terminals to computerised information banks. The market is in its infancy but is expected to expand strongly in the next decade.

SDP urges softly, softly approach to reflation

BY PETER RIDDELL, POLITICAL EDITOR

ANY MEASURES to expand the economy should be cautious and linked to pay restraint, Mr John Horam MP, economic spokesman for the Social Democratic Party, argued yesterday.

He outlined a programme specifically aimed at critics worried that reaction to reflation would boost inflation. He told the annual conference of the Institute of Purchasing and Supply in Harrogate that the package should show "the link between pay restraint and the amount of expansion the Government can allow."

The package should be introduced in two budgets in the autumn and spring "provided that pay settlements followed a satisfactory course in the intervening months. This proviso should in itself provide the occasion for a resumption of the debate between government, industry and the unions," he said.

Mr Horam suggested that the fiscal package should total about £5bn in 1981 to 1982 prices, though the effect on public sector borrowing would be only about £3bn because of higher tax revenue from higher income and reductions in unemployment benefit.

The package should include a reduction in the employers' national insurance surcharge, extra public sector investment, some trimming of public sector prices and a cut in value added tax. Monetary targets should be retained but relaxed sufficiently to permit an economic recovery.

Mr Horam's proposals were based on suggestions by a group of Cambridge University economists brought together in the Clare Group.

● Mr Leon Brittain, the Chief Secretary to the Treasury, yesterday maintained his campaign to hold down public expenditure as near as possible to the revised Treasury target for next year. As the ministerial review of spending plans continues, Mr Brittain argued that "if we agree to excessive spending, we shall quite inevitably see our goals on inflation, interest rates or taxation remorselessly erode."

Plaid Cymru to press for Welsh socialist state

BY ROBIN REEVES, WELSH CORRESPONDENT

The Welsh National Party took a decisive shift to the Left at its annual conference in Carmarthen yesterday.

In a series of radical decisions, Plaid Cymru delegates agreed to make the establishment of a decentralised "Welsh socialist state" the party's main political and economic aim in place of simply self-government for Wales.

It also decided that the president and vice-president of Plaid Cymru will be elected every two years at branch and constituency meetings of members, rather than by the annual conference.

A resolution was passed introducing discrimination in favour of women in the party's internal decision-making committee.

In a move to put Plaid's finances on a sounder footing, the conference voted to raise the annual membership fee from £1 to £6, with concessions for non-earners.

An attempt to commit the party to a boycott of direct elections to the European Parliament as part of a stand against the European governments was rejected.

The contest to find a leader of the party in succession to the man who has led it for the past 36 years, Mr Gwynfor Evans, is expected to be won today by the "moderate" candidate, Mr Dafydd Wigley, MP for Caernarfon.

LABOUR

Perivale workers to call for 'blacking'

BY BRIAN GROOM, LABOUR STAFF

SHOP FLOOR leaders fighting the closure of Hoover's vacuum cleaner factory at Perivale in West London are to appeal to their colleagues in the company's two other UK plants to black work transferred from Perivale.

Their plea will be made at a meeting of convenors from all three plants and full-time union officials, called on Monday to discuss action over the company's plans.

Apart from closing Perivale with a loss of more than 1,000 jobs, Hoover wants to cut 800 jobs from its factories at Merthyr Tydfil in Wales and Cambuslang in Scotland. Perivale's production work will be concentrated in Cambuslang.

Mr Bill Clarke, Amalgamated Union of Engineering Workers Convenor at Perivale, said the workers there have voted to take industrial action if necessary to save their jobs, but only as a last resort.

Local officials and shop stewards from Perivale met Hoover directors on Wednesday to ask for the closure plans to be halted so that discussions on the company's future could be continued, but Hoover refused. "There was no room for negotions or manoeuvre as far as they were concerned," Mr Clarke said.

The company has made clear that it wanted 500 of the Perivale workers to go by January 19, he said. He thought the company would be likely to hold back some of the ex gratia payments it has offered on top of redundancy pay if workers obstructed the closure.

Hopes fade in dispute at shipyard

By John Lloyd, Labour Correspondent

HOPES FOR an end to the worker occupation at the Robb Caledon shipyard in Dundee, which precipitated national industrial action at British Shipbuilders earlier this month, were first raised, then deflated, yesterday.

The Dundee Ports Authority, who own the land, decided to allow Kestrel Marine, the company wishing to take over Robb Caledon, to move into part of the site. However, the authority said it wished to retain a large jetty between the Caledon yard and the one Kestrel already runs.

The plan is for the Scottish Development Agency to take over the lease of the Caledon yard from British Shipbuilders then to relet it to Kestrel. Mr William Gold, the authority's director, said last night he would hold talks with both Kestrel and the SDA on Monday.

However, the company said the authority's decision was "just a nice way of saying no." Kestrel could not accept the proposal concerning the jetty.

A senior shop steward representing the 120-strong remaining workforce said the workers' demand for the retention of all jobs remained. BS has said the yard will stay closed, and that there is no possibility of re-employing the workers in Dundee.

The issue became serious for both the unions and BS because the corporation had, in effect, declared the remaining workers redundant, breaking a two-year practice of achieving substantial voluntary cutbacks.

However, a three-week campaign of one-day strikes and overtime bans was called off two weeks ago by the Confederation of Shipbuilding and Engineering Unions after some shipyard workers began to show signs of breaking ranks.

Talks have since gone on between the two sides at the Advisory, Conciliation and Arbitration Service, without a solution being found.

Boost for finance and banks union

By Our Labour Staff

THE OFFICIAL certification officer has confirmed a transfer making the 6,000-member Eagle Star Staff Association part of the Banking, Insurance and Finance Union.

For Bifu, which has nearly 150,000 members overall, the decision is a considerable boost to its efforts to win over staff associations. It already has staff at Guardian Royal Exchange and Phoenix under its wing, and hopes that associations at Sun Alliance and Commercial Union will eventually come over.

The Scottish Equitable Staff Association, with over 500 members, will ballot on joining Bifu, which is holding talks with other Scottish life offices.

Bifu, with 21,000 members in insurance, is the main rival in that sector of the Association of Scientific, Technical and Managerial Staffs, which claims 70,000-80,000.

Lump sum benefits in building industry

By Our Labour Staff

LUMP SUM retirement benefits will be available to building and civil engineering workers from next April in a national scheme described by employers yesterday as a major achievement for an industry where workers change jobs frequently.

The scheme, which potentially applies to ½m workers, results from an agreement between unions and employers in July's Building and Civil Engineering Joint Board pay settlement and will involve the transfer of surplus funds from the industry's holiday pay scheme.

Blenheim crew ends sit-in

A SIT-IN by the 150 crew of the cruise liner Blenheim has ended after 15 days. She was to sail from Plymouth yesterday afternoon with a scratch crew after the crew accepted an increased severance pay offer from Fred Olsen Lines, the owners.

'More workers' underpaid

BY OUR LABOUR STAFF

MORE THAN one-third of employers checked by government inspectors last year were illegally paying workers less than minimum rates set by wages councils, the independent Low Pay Unit says in a report.*

The unit estimates that Britain's poorest workers are losing £28m a year through the payment of wages below the legal minimums set for 2.75m workers in shops, cafes, pubs and restaurants, laundries, hairdressing salons and clothing workshops.

Most of the rates are set at between £54 and £57 a week, but some hairdressing workers have minimum wages set as low as £39.

The report accuses the Government of turning a blind eye to the problem by cutting the number of inspectors by a third at a time when underpayment is increasing.

Last year 35.1 per cent of employers inspected were paying below the minimum, compared with 31.5 per cent the year before and only 14.1 per cent in 1970.

Mr Simon Crine, the report's author, said: "Last year more than 12,000 employers were caught with their fingers in their workers' pay packets, but only nine were prosecuted. While illegal underpayment is rising, the number of prosecutions is going down."

* *The Great Pay Robbery; Low Pay Unit, 9, Poland Street, London W1V 3DG; 95p inc. postage.*

Sobering thoughts for dependent relatives at BL's sick-bed

Kenneth Gooding weighs up the effects of a BL closure on the components and supply industries

EVEN AT this late stage it is very difficult to find any of the experienced BL watchers who seriously believes the group will be closed down.

But that has not stopped them getting out their slide-rules just in case.

The figures are sobering.

If BL goes the UK stands to lose about £900m in exports, and it must be assumed that imports would account for a great part of the £2bn of BL sales in the home market.

BL spends about £2bn a year on goods and services from about 7,000 UK-based companies. Motor component suppliers probably account for about half that and in 1979 alone BL bought products worth £500m from its top 10 suppliers. These included Lucas, GKN, British Steel, Dunlop, Automotive Products, Associated Engineering, Birmid Qualcast, Rubery Owen, Smiths Industries and Rockwell.

Mr Bill Seward, a partner in stockbrokers Phillips and Drew yesterday maintained: "The end of BL would not mean the end for the UK components industry, but many companies would be seriously weakened and left more heavily dependent on overseas and non-motor business, where these already exist."

While Phillips and Drew refuse to be drawn into the debate about whether BL will or will not go into liquidation, they have been doing some arithmetic about the possible impact on quoted suppliers.

"Our crude calculations do not appear to unequivocally spell out instant death to any components group in terms of indicated borrowing levels, although it would clearly still be a traumatic and dangerous time," said Mr Seward.

Of the component suppliers, Automotive Products appears to have the most to lose and is among those groups with smaller overseas manufacturing bases.

The loss of the BL business would also be a major blow to Lucas but that group has its established Continental and overseas business, is growing fast in the U.S. and has a large aerospace division.

The loss of their original equipment business would not seem to be quite so serious for the other groups, according ot the brokers. But they would all eventually—probably within five years—lose profitable replacement parts business which would be hard to replace.

BL employs about 100,000 people in the UK and it is reasonably estimated that 250,000 jobs would be lost in the British components industry should BL collapse.

The impact would not be spread evenly, however. For example, BL's own figures show that it employs 13 per cent of the working population of Oxford, more than 10 per cent of the working population of Preston, about 9 per cent of the working population of Coventry and 8 per cent of the working population of Birmingham.

The component suppliers are strongly based in the West Midlands and, while their balance sheets might be able to stand the strain, some individual plants would have to go.

Mr Stephen Lewis, Phillips and Drew's economist, estimates that closure of BL could cost the Government £3bn. The direct cost would be about £1.5bn and the knock-on effects in terms of jobs lost and closures in allied industries could be at least as much again.

Redundancy payments, if BL makes them, would account for £750m of the total, unemployment benefits would total about £250m and the Government would lose income tax and national insurance revenue in the region of £250m.

The costs involved in trying to find buyers for parts of BL, together with interest payments, would bring the direct effect total to £1.5bn.

In the knock-on period the Government would also probably have to relax its financial constraints on British Steel. Some 15 per cent of its sheet steel goes to BL and the South Wales strip mill plants would be threatened by the loss of this business.

The Government might recoup some money by selling parts of BL, but it is unlikely that buyers could be found for any of the car plants—including the Jaguar operations—but Land-Rover might attract a foreign buyer and bits of the Unipart spare parts operations are relatively attractive.

Sir Michael Edwardes, the chairman, has suggested that the whole group might be pulled down by the chaos which would follow a strike in the cars division. But it would be possible to hive off the truck and bus division as a separate, state-owned entity because in its current situation it has few attractions for potential purchasers.

In the event of a strike, how long it would take for BL to reach the position where liquidation would have to begin is difficult to judge. The group keeps its cash flow statistics out of the public eye.

Stocks of cars and trucks are at reasonable levels, money would continue to flow in for a while and the group would have no wages to pay in the cars division.

Even so, it would not be many weeks before it ran out of money and could not pay the bills.

Sales to BL as original equipment

	£m	% of total
Automotive prods.	20	10
Armstrong equip.	4	4
Assoc. Engineering	20	4
BBA group	3	2
Dunlop	40	3
GKN	80	4
Lucas	100	8
Smiths Industries	20	5

THE WEEK IN THE MARKETS

When the storm clouds part

LONDON

ONLOOKER

It has been a good week in the City—at least by recent standards. The gilt-edged market has had a much steadier tone than of late, with yields easing by roughly a quarter of a point on the high coupon issues. And although equities have not exactly sparkled, here too there has been a welcome feeling of stability in the market place.

Wall Street has once again played a big part in setting London's mood. Prime rates have been falling, and the bond market in New York staged a useful rally. The euromarkets have followed this slight decline in U.S. interest rates, with the yield on three-month eurodollar deposits falling by the best part of half a point over the week. And although this has not been fully reflected in the sterling money markets, the pressure has certainly come off for the time being.

Sterling has firmed up a little, and the odds against an imminent increase in bank base rates have lengthened considerably.

UK company news has been rather encouraging, too. ICI's quarterly figures always have a big short term impact on market sentiment, and the 9-month figures on Thursday were up to best hopes. On the bids and deals front, Tilling's intervention in the battle for Berec brought some life back into what had been developing into a rather dreary slogging match.

With no nasty surprises coming from Thursday's OPEC meeting in Geneva, the scene was set for a successful start to Cable and Wireless's life as a public company. The offer for sale closed yesterday morning, and the stags appear to have been out in some force.

Even the looming crisis at BL has not had much of an impact—so far. The share prices of most of the major component suppliers have steadied after their recent weakness. One exception, however, has been Lucas Industries which has been the subject of some nervous comment ahead of its preliminary figures which are expected on Monday week.

ICI's sales bounce

ICI's third quarter profits maintained the pace of steady recovery that has been taking place through the year. At the pre-tax level, the figure of £86m in a seasonally depressed three months compares with £83m in the immediately preceding quarter and a bare £3m in the same period of 1980.

But the most encouraging aspect of the results is the evidence of a pick up in volumes. This partly suggests a slowing down in the rate of destocking, if not a reversal of the process, but there are also signs that ICI is gaining market share.

Usually in the third quarter volume dips by as much as 10 per cent. But this year that decline has been limited to about 2 per cent worldwide. So volume, excluding oil, for the period is about 11 per cent higher than at the same time last year and 2½ per cent higher than the buoyant levels of 1979.

The volume resilience is most marked in Europe, with a 22 per cent gain on the equivalent period in 1980 and 16 per cent on 1979. In the UK there has been a healthy 12 per cent improvement over the year, but volume is still running 12 per cent below the level of two years ago.

Currency has been moving in the right direction too, boosting profits in the quarter by between £15m and £20m as export margins move up to match those in the home market. The depreciation of sterling puts the company on a more even footing with its German competitors and, more significant for the longer term, manning levels should be in line with the Germans by the end of next year.

Heavy redundancy costs are still being charged above the line but next year, as these ease, the benefits of cost cutting could push profits sharply ahead from perhaps £320m this year.

The big question-mark at the moment is whether the developing recession in the U.S. will act as a damper worldwide. Nevertheless the board may still feel able to restore the dividend to 23p per share next year, as cash begins to flow in. The yield on an unchanged dividend is 9.3 per cent.

Coat's insulation

Coats Patons has been suffering from the effects of a strong pound for several years, so the stock market was expecting it to reap handsome rewards from the steep fall of sterling against the dollar in the first half of this year. As it was, profits before tax were ahead only 5.5 per cent at £28.15m and Thursday's figures sent the shares down 4½p to 62½p.

The stronger dollar added £6m to Coats' trading profits but the benefit was largely offset by a 5 per cent fall in volume sales. The international spread of Coats' operations has insulated it from the worst problems of the British textile industry but it still generates well over half its sales in Europe and, with the exception of the UK fashion business, this has been the problem area.

Trading profits should continue to show some advance in the second half but, with property realisations running at a lower level than last year, the pre-tax figure is unlikely to match last year's £66m. Coats will suffer a slight cash outflow this year, partly because of heavy spending in the U.S., and net debt may rise to about 27 per cent of shareholders' funds from 25 per cent at the end of 1980. So a maintained final dividend, producing a yield of around 9¼ per cent, is the most that can be expected.

Volume sales are now at roughly the same level as 1974 and the shrinkage of the European operations is continuing. This leaves Coats increasingly dependent on North and South America for its earnings. Given the problems of the Yorkshire textile industry, these interests are a source of some reassurance. But they leave Coats very exposed to Brazil's hyper-inflation and the slow-down in U.S. consumer demand.

BBL's new veneer

Brooke Bond's acquisition of Mallinson-Denny has not proved everyone's idea of a clever wheeze. Mallinson was bought—for a mixture of shares and cash—just as the timber trade was spiralling into recession. Brooke Bond's gearing rose from below 20 per cent (debt to shareholders' funds) to around 50 per cent—and interest rates have gone up. And even though Brooke Bond, understandably enough, seems to have valued Mallinson's stocks cautiously on consolidation, the company has not covered its financing costs, let alone made enough money to prevent dilution.

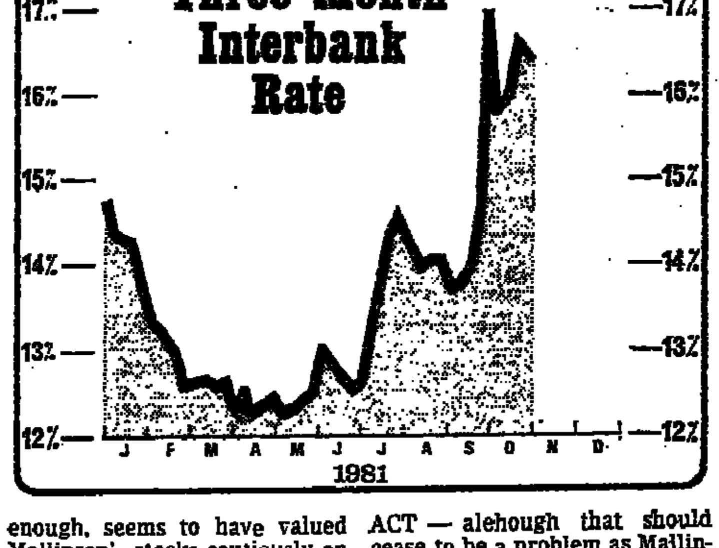
Brooke Bond is unrepentant. It points out that it was able to acquire Mallinson below asset value and without much of a struggle precisely because both companies understood what was happening in the timber market. Moreover, it was making a strategic acquisition, and short-term dilution may well be the price of that. One hope is that the volatility of timber earnings will give the group some spice when the economy picks up, while the higher gearing (which Brooke Bond insists is no higher than it can live with) makes for a little more excitement too.

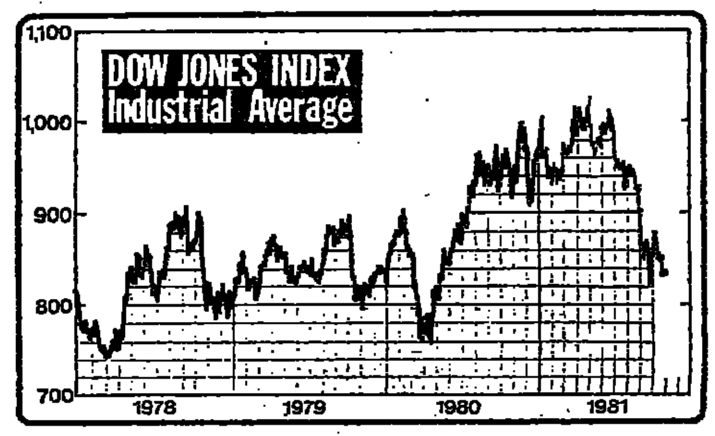
Mallinson apart, the rest of the group's profits were satisfactory enough, rising from £38.0m to £42.2m in the year to June. Most of Brooke Bond's earnings now turn up in OECD countries, rather than in places that make investors feel uncomfortable, and the windfall stock profit element was small last year. The dividend is still not quite covered by current cost earnings, and the group is faced with a bill for unrecoverable ACT — alehough that should cease to be a problem as Mallinson contributes more UK earnings. The shares yield a wary 12¼ per cent.

Tilling's charger

The white knight is Thomas Tilling and the damsel in distress is Berec, struggling to escapes the clutches of the evil Hanson Trust. Perhaps Tilling and Hanson will joust for the fair damsel's hand. Maybe the venturesome Hanson will decide that Tilling's recommended share offer worth 134p per Berec share is not worth countering. Hanson has already put 114p per share on the table, in convertible terms, and the legend has it that the black knight rarely advances twice if his first overture has been spurned and beaten.

It is a funny old business, this chivalry. The message from Camelot when Hanson first laid siege back in September was that the fair lady was seeking a knight errant with "complementary interests" to her own. Tilling, however, is a knight of many parts—the knight himself said quite recently that "we were a conglomerate before anyone ever thought of the word." Hanson, too, likes to try many castles in many kingdoms.





MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	468.5	+ 6.6	597.3	446.0	In sympathy with gilts
F.T. Govt. Secs. Index	61.16	+ 0.77	70.61	60.17	Easier short-term money rates
F.T. Gold Mines Index	350.4	−24.6	429.0	262.6	Lower bullion price
Atlantic Resources	215	−50	335	165	Porcupine Basin statement
Berec	130	+15	135	50	Tilling counter-bid
Burgess Products	47	+13	52	33	Recovery hopes
Gill & Duffus	148xd	−13½	237	138	Commodity trading losses
Glaxo	410	+22	414	242	Press comment
Grange Trust	148	+21	148	114½	Courtaulds Pension Fund offer
Grindlay's Bank	186	−16	250	152	Fading bid hopes
Henderson (P.C.)	132	+17	165	115	Increased int. div. and profits
Hopkinsons	93	+13	108	63	Strong interim profits recovery
ICI	270	+14	330	226	Third-quarter results
London Utd.	210	+17	230	170	Press comment
Lucas Inds.	178	− 8	240	159	BL situation
Martin (R.P.)	315	+45	325	112	Firm money brokers/thin market
Sainsbury (J.)	445	+40	480	330	Int. results next Weds.
Shell Transport	380	+24	470	304	OPEC price reunification
Sun Alliance	910	+56	£10½	688	Bid hopes
Western Mining	239	−28	335	227	Weak Australian markets

Damn Yankees

NEW YORK

PAUL BETTS

WALL STREET traditionally rises or falls with the fortunes of the Yankees, the baseball team which has always had a cathartic effect on New Yorkers. The Yankees went down in the World Series this week, losing the crown to the archrivals from the West, the Los Angeles Dodgers, and the market went down too.

Even without the Yankees humiliating loss before a capacity crowd of fans in their stadium in the Bronx, the market was heading downwards. For this was the week when everybody finally agreed that America was in a recession and that the outlook for the near term was that the recession would probably deepen.

Mr Paul Volcker, chairman of the Federal Reserve, acknowledged that the country was now in a mild recession. Barely two weeks ago, he was still insisting it was premature to talk about a recession. The White House has also grudgingly admitted that things are far worse than expected, and the latest batch of economic data only helped confirm this week all the gloom the Wall Street soothsayers had been predicting at the end of the summer.

Real gross national product fell at an annual rate of 1.6 per cent in the second quarter of this year and by another 0.6 per cent in the third period. Two consecutive GNP declines, according to the unspoken rule of American economics, mean a recession, but worse is likely to come. The index of leading economic indicators, a measure which is supposed to forecast future economic activity, dropped by a sharp 2.7 per cent last month.

In turn interest rates continued to drift lower, with one major bank, Continental Illinois, reducing its prime rate to 17½ per cent. But Wall Street was hardly encouraged by the long awaited easing in rates. It was taken as yet another sign that economic momentum was slowing and that the future, in terms of corporate profitability at least, is far from rosy.

Most major corporations have now reported their third quarter results. According to one survey published by the Wall Street Journal yesterday of more than 500 company results, net earnings rose by an average of 14 per cent in the third quarter. In the circumstances, that does not seem too bad.

But in general the results were far from inspiring. The steel companies reported strong gains because of heavy demand for tubular goods used in the energy industry. But they warned that orders for steel in the final quarter were dropping.

The big car companies all reported losses—albeit lower from the levels of the year before. But they too have warned that sales in the coming months are likely to slump as they have already done this autumn. Indeed, General Motors is now trading at its lowest levels since 1975 and the market is worried that the number one car maker may cut its dividend next week.

In the oils, the companies with strong domestic operations reported gains. But the large integrated international oil companies saw their profits eroded by poor refining and marketing performance overseas, particularly in Europe, and by the impact of unfavourable currency translations. Exxon reported a 20 per cent decline this week, Mobil had a 30 per cent drop, Texaco was 8 per cent, and Standard of California was 16 per cent down. These, in order, are the four biggest U.S. oil companies.

Even the so-called high technology growth stocks were disappointing. IBM's third quarter earnings tumbled 21.6 per cent, far more than Wall Street had anticipated. Honeywell was down 31 per cent, Sperry was also down, in large measure. These declines reflected the effects of the stronger dollar on European and other foreign operations. But nonetheless they also reflect the cyclicality of technology stocks which once were regarded as a recession resilient category of stocks.

But Mobil Oil, the country's second largest oil company, popped up with a dramatic halloween surprise yesterday. It announced a $3.4bn bid for two-thirds of the outstanding shares of Marathon Oil, one of the top 20 U.S. oil companies. It thus set the stage for what promises to be another classic takeover battle.

Marathon for some time has been worried that it could be the target of a hostile bid. It has already lined up a $5bn line of credit to defend itself from a raid by a large oil company.

Monday:	830.96	−7.83
Tuesday:	838.38	+7.42
Wednesday:	837.61	−0.77
Thursday:	832.95	−4.66

And now for the good news

MINING

GEORGE MILLING-STANLEY

THIS WEEK has seemed like bad news week in the mining world, with an ever-lengthening list of companies reporting poor results for the third quarter.

New names on that list this week included **Asarco, Phelps Dodge** and **Newmont Mining** from the U.S., and Canada's **Cominco** and **Lornex**. Only **Denison Mines**, from Canada, turned in higher profits, and this was mostly due to the company's sale of its share of the Coalspur thermal coal property in Alberta.

Adding to the gloom we have seen Australia's **Metals Exploration** apparently attempting to take control of the board of the veteran Australian gold producer **North Kalgurli Mines**, even though Metals Ex holds only 20 per cent of the issued capital.

To cap a truly miserable week, Thursday saw the publication of a document from the independent directors of **Tanks Consolidated Investments** in response to the takeover bid from **Société Générale de Belgique**, Belgium's biggest industrial holding company.

The directors involved in the preparation of this report, all those who are not associated with the Belgian group, concluded that a price of 560p a share would be more in line with the real value of Tanks' assets than the 450p a share offered by SG.

Accordingly, the six-man committee has tried to induce the Belgian group to lift its offer to a price which the committee could recommend to shareholders, but without success. The directors are also disappointed that there is no share alternative to SG's cash bid.

So convinced are the Tanks directors of the Belgian group's obduracy that the two members of the committee who are themselves shareholders in Tanks have decided, "with regret," to accept the offer in respect of their own holdings.

Turning with relief from all of that, it has to be said that not all of the week's news was bad. In fact, Monday started the week with a bang in the form of an announcement from Canada's **Inco**, the biggest nickel producer in the world, that it is to proceed with the first phase of the development of a major new nickel mine.

The new mine, an open pit at Thompson, Manitoba, is admittedly only intended to replace existing capacity in the area which will be depleted by 1984, when the first phase is due to come on stream.

Nevertheless, it is an indicator of Inco's confidence in the long-term future of the nickel business, and is especially welcome at a time of depressed nickel prices worldwide. It is to be hoped that the company has got its timing right, and that demand will be a little healthier when the US$72m (£40m) project goes into production.

If this is the case, Inco has plans for a second phase of development, costing a further $64m. The first stage will provide some 30m lbs of nickel a year, and the second stage, if implemented, will add another 10m lbs a year to that.

The other major piece of good news this week came from South Africa's **Anglo-Transvaal Consolidated** mining and industrial group, whose chairman said in the annual report that he is expecting a further increase in profits this year.

The group has long been known as Anglovaal, and it is planned to change the name officially after the annual meeting on November 20.

Mr Basil Hersov, the chairman, said that financial results for the current year to date indicate improvements for most of the companies within the group. The current financial year runs to June 30, 1982.

Mr Hersov made the point that his forecast is subject to the usual provisos on the uncertainties of world metal and mineral prices and no serious deterioration in the South African business climate, but his note of optimism is welcome at this time.

In the 12 months to June 30 this year, Anglovaal's net profits rose by 25 per cent to R47.6m (£27m), in line with the higher gold prices prevailing and the buoyant state of the South African economy, which boosted the group's extensive industrial interests.

While the country's economic growth has slowed somewhat since the beginning of 1981, and it is anticipated that this trend will continue throughout the current financial year, Anglovaal's industrial interests (grouped under the heading of Anglo-Transvaal Industries) expect to improve their profits.

Mr Hersov stressed the importance of the group's gold and other mining interests, and said its fortunes still depend very much on these and will do so for the foreseeable future. No less than 42 per cent of last year's net profits came from the gold interests.

Anglovaal's gold interests include **Hartebeestfontein, Zandpan** (an investment company which derives its income from Hartebeest) and **Loraine**, along with small holdings in a number of other gold mines.

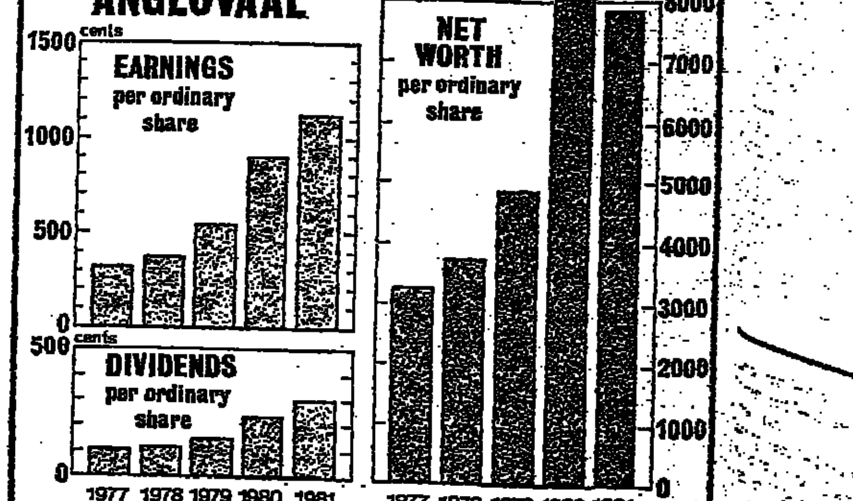
Other mining interests include the **Prieska** copper mine and the antimony-producing **Consolidated Murchison**.

Mr Hersov laid great emphasis on the importance of the price of gold in terms of the South African rand, as working costs and dividend payments have to be dealt with in this currency. This price, he pointed out, is determined not just by the dollar price of gold, but also by the rand/dollar exchange rate.

He illustrated his point by saying that at current exchange rates, a gold price as low as $418 per troy ounce produces the same equivalent in rands as a price of $534 would have done in January this year.

Thus South Africa's gold producers have been shielded by changes in currency parities from the worst effects of the fall in the bullion price in terms of the U.S. dollar, as we have seen in recent quarterly reports from the individual mines.

This factor, coupled with the ability of the mines to raise output by mining higher-grade ores at times of falling prices, should ensure that Angovaal's gold interests more or less maintain their contribution.



UNIT TRUST AND INSURANCE OFFERS

FINANCE AND THE FAMILY

Ex-wife's right to estate

BY OUR LEGAL STAFF

I was recently widowed, and was left his whole estate valued for probate at £10,000 by my husband. My means are small and I have now received a letter from the solicitor of my late husband's ex-wife, from whom he was divorced in 1959, saying she has a legal right to money from the estate. Is this right?

If your husband was not maintaining his former wife you should reject the claim which is now put forward on her behalf outright. While there is power for the courts to grant provision to a former spouse of the deceased it will not be exercised unless it is reasonable to do so.

VAT on built-in wardrobes

May I refer to your reply under "A through room and VAT" (September 12)? If built-in wardrobes fitted by the manufacturers along one wall, from floor to ceiling and the ceiling is or normal height, is the natural progression that VAT is not chargeable?

We consider that the expenditure to which you refer should be zero rated, i.e. the cost of installation and of the wardrobes themselves provided they are supplied by the person doing the installation. The Customs and Excise have contended that in order for the cost of the wardrobes to be zero rated they have to be made up from material on site. They have lost two cases before the VAT Tribunal where this argument was put (Sharps Bedroom Design LON/80/222 and Smitmit Design Centre LON/80/145).

A deferred pension

I have been a member of a company pension scheme until I reached the age of 65 on December 3 1976, at which time I would normally have been entitled to a pension of 40-80ths of final salary. As I continued to be employed by the same company, I was unable to draw my pension which was deferred until my actual retirement, or age 70.

I understand that the actuary's basis at that time was that the deferred pension was likely to increase at the rate of 9 per cent per annum. In view of the fact that there was no risk involved to the pension fund, and as I understand that the overall rate of increase in pension funds since 1976 has averaged about 15 per cent (including our own), I assume that my pension when I reach 70 shortly will, in fact, be adjusted.

Am I right in thinking that it would be normal practice to increase the deferred pension in the light of actual returns to the pension fund?

The percentage increase for deferred retirement in a pension scheme depends upon the rules of that scheme. There is no obligation on the scheme to gear the increase to the amount currently earned on the fund's investments. In recommending an equitable deferred retirement factor to the trustees the actuary has to bear in mind the position of deferred pensioners who retire just after a severe fall in the value of the fund's investments as well as those who retire in a period when the fund has been earning a high rate of return, otherwise what would your pension rights be if you came up for retirement in a period such as January 1975 when the FT index was below 150?

Rates and former occupier

I recently received a water rates demand for the period July 22 1979 to January 6 1981 on a flat which I ceased to occupy on that date. I had not realised that they were not taken into account when I sold to the new occupier and feel morally bound to pay them, but what is the legal position? Has the demand come too late anyway?

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

The rates cannot be recovered from you by the water authority, but only from the present occupier. If you have contracted to pay the rates due during your period of occupation you may have to reimburse the occupier and such a contract is readily to be implied in your contract of sale. The demand does not seem to be out of time.

Tax on negative interest

Last year I bought some U.S. corporate bonds using my external dollar account with an American broker. A part of the purchases were made under margin arrangement whereby I borrowed the money from the broker. In point of fact this arrangement amounts to my borrowing from the broker's bank by way of a variable interest loan.

Since then my account with the broker has been credited with bond interest received (no tax deduction made) and debited with the interest on the loan. The second being higher than the first, no remittances of interest to the UK have been possible.

The first question is whether I am liable for UK tax on the bond interest credited to my account, which is in fact a negative rate of interest (and would in fact not have earned so much interest without the loan and its connecting interest payable). Then, if I am liable, when am I liable as in fact to date I have received no interest? This question comes outside the experiences of my own accountant.

As you write from Norfolk but say nothing about your domicile, nationality, etc., we take it that you are a UK citizen, resident and ordinarily resident in the UK, and domiciled in England and Wales. That being so, you are liable to UK tax on the interest arising from the bonds; the interest should be converted to sterling at the rate of exchange for the day on which each payment falls due. Your accountant will find the rules of assessment in sections 122(1), 123(1) and 124(1) of the Income and Corporation Taxes Act 1970, as amended.

You are exempt from U.S. tax, by virtue of article 11(1) of the U.S.-UK double taxation convention of December 31 1975 (SI1980/568).

No UK tax relief is obtainable in respect of the interest which you have paid. Your accountant can confirm this by looking at section 122(1) (c) of the Taxes Act, as amended, and at section 75 of the Finance Act 1972, as amended.

An enforceable covenant

The house we live in is divided into eight flats held on 99-year leases from 1943. These leases contain covenants that the premises revert to the lessor on bankruptcy or composition with creditors. They seem, therefore, to be virtually unsaleable to persons needing mortgages.

Do you think that a court would enforce such a covenant to the detriment of a mortgagee if no loss had been incurred by the lessor?

The covenant in question is not unusual. Very many building societies will now accept leases in that form as security, although some still will not do so. The courts would certainly enforce such a covenant — although in some circumstances relief from forfeiture can be obtained.

No creation of right of way

There is a path across the grounds of the block of flats in which I live, by which at each end there is a notice which states: "Private grounds. No right of way." This is sometimes used by members of the public as a short cut. Would these notices prevent a right of way being created.

way being created?

The notice is adequate to prevent the creation of a public right of way, although an express reference in it to Section 31 (3) of the Highways Act 1980 would be preferable.

No security for widow

If a surviving wife lived in the residence belonging to her husband and left to daughters by his will, is it correct that the house could not be sold, though presumably the mother would have to pay her daughters a reasonable rent?

No. Any such arrangement would have to be made by express provision in the will.

Going to work abroad

I shall be going to work in Africa soon for some 2/3 years, and expect to be able to establish non-residence for tax purposes.

Can you please advise me as follows:

1.—What is the procedure to enable me to switch some £20,000 of gilts into one of the approved issues to enable the interest to be paid gross? Is it necessary for the interest to actually be paid overseas, say, into a bank account overseas, or could it be paid into a UK bank without prejudicing the tax-free status?

2.—I understand that other UK income paid gross, eg bank interest, etc. is taxable, but that the Revenue exercises a concession to expatriates working abroad. Is this correct, and would the concession apply to a State pension, eg Retirement Pension? In the latter case, if there is a concession, would that concession be prejudiced if the pension were paid into a UK bank?

3.—I have a pension from the Irish Republic which is paid to me gross, and taxed in the UK through my normal Income Tax Return. What will be the position concerning this pension, when I go abroad?

1.—You can claim exemption by completing a form A5, which is obtainable from the Inland Revenue Foreign Dividends Office, Lynwood Road, Thames Ditton, Surrey, KT7 0DP. It does not matter where the interest is mandated. However, as you are staying abroad for so short a time, you will probably find that you have to suffer deduction of tax, and then claim repayment on a form A1.

2.—You will find general guidance in two free booklets, which are obtainable from most tax inspectors' offices:

IR1—Extrastatutory concessions;

IR20—Residents and nonresidents: liability to tax in the UK. You should look particularly at concessions A11, B13 and D2 in the booklet IR1. Here again, it does not matter where the interest or NIRP is mandated.

3—It will be exempt from UK tax. As you do not say which country you will be resident in, we unfortunately cannot say whether you will benefit from one of the various double taxation agreements which have been entered into by the Irish Republic (or the UK, as the case may be).

Company cars

TAXATION

DAVID WAINMAN

MANY BELIEVE that his employer should give him a company car, but few are able to explain—still les to quantify—the great tax advantages that result. So fasten seat belts as we approach this accident zone.

We shall examine these questions in terms of cost to the employer: what we assume is that the employee has a "basic" salary and on top of that he is now to be provided with "motoring"—the last word being interpreted as including all the related costs.

All the way through this exercise we must compare him with like. This means not only assuming that the employee would himself acquire the same car that the company would otherwise have provided for him, but also that his business and other mileage would be the same, and that the costs per mile would be identical.

First, let us make things as uncomplicated as we can, even at the risk of oversimplifying. We can always adjust our conclusions to eliminate any consequent distortions. We therefore assume that our individual is a single man with a "pre-motoring" salary of £18,125, so that the next £5,500 of further salary or benefits on which he may become taxable will fall into the 50 per cent tax band.

Secondly, it makes our comparisons both more simple and more realistic if we stretch them over a period longer than a year but nevertheless use constant values for costs, tax rates and "scale benefits." We shall assume that the car concerned is rather glossy and fast repreciating—that it is bought on April 6, 1982 for £11,700, and that it will realise £3,600 when sold on April 5, 1985.

The top table sets out the costs the company incurs if it buys the car, itself pays all the related costs except those solely related to the employee's private use, and pays him an additional amount of salary so that he can meet his own personal liabilities. Assuming that the company has taxable profits, all of these outgoings would be tax-deductible, not necessarily at an even rate, through the three years.

If the employee is to provide his own car, one of the more significant decisions he would first need to make is how to finance the purchase. Let us assume that his bank is prepared to give him a personal loan of £11,700, which it requires him to repay in three equal instalments of £5,540 on April 5 1983, 1984 and 1985, this representing an interest rate of approximately 20 per cent.

On that basis, what the company would need to pay him in order for him to be able to provide his own car is set out in the bottom table. It appears to be nearly £13,000 cheaper for the company to provide the car.

This is a valid conclusion given the facts we have assumed. But substantially the whole difference stems from the fact that while the company has treated its "capital cost" as £8,100, the employee has been compelled during the same three years to find "capital" of £11,700 with which to repay his bank loan. When, thereafter, he realises £4,400 by selling his car, he will be able to purchase its replacement with a smaller bank loan—but it is his outgoings in the subsequent three years which will benefit from this, not those of the period we are looking at.

If we compare like with like, we could quite easily remove that particular "distortion" by assuming that the individual had sold his previous car immediately before April 6 1982, and because he got £3,600 for it, he only needed a personal loan of £8,100 from the bank. The aggregate of his repayments to the bank in the bottom table would be scaled down from £16,620 to £11,500: and since this is a saving out of his "net" salary, the cost to the company drops by £10,240 from £38,136 at the foot of this table to £27,896.

Unlike is still being compared with unlike, however, to the extent that in the top table we assumed that the employer borrowed the full amount of £11,700 for the full three years. If its borrowing, and the rate at which it was repaid, were brought into line with those now assumed for the individual, the company's interest cost would fall from £6,318 to £2,916, and the total costs for the company's provision of a car to its employee would reduce from £25,425 at the foot of the top table to £22,023.

"Capital cost"—depreciation over three years		£8,100
"Interest cost"—10 per cent on £11,700 for three years		6,318
"Standing costs"—Licence, insurance, repairs, related to a total 15,000 miles per annum at a rate of 10.5p per mile		4,725
"Fuel costs"—Reimbursement of 7.3p per business mile driven, for 12,000 miles a year		2,628
"Employee's net outgoings"		
(a) Fuel for 3,000 private miles	657	
(b) Tax payable on "benefit of car's availability — £780 for each year — liability at 50 per cent	1,170	
	1,827	
Gross salary employee needs to cover this		3,654
		£25,425

Note: the standing and fuel costs are derived from the A.A.'s scales published in June 1981.

Reimbursement by company of costs incurred by employee for 12,000 business miles per year at 30.9p per mile		£11,124
Employees outgoings		
(a) Principal and interest to bank	16,620	
(b) Standing costs for 15,000 miles a year (as top table)	4,725	
(c) Fuel costs for same mileage	3,285	
	24,630	
Less reimbursed by company	11,124	
To be met by employee	13,506	
Gross salary employee needs to cover this		27,012
		£38,136

Note: 30.9p is the A.A. scale, but is clearly ungenerous for a car which costs as much and depreciates as fast, as the one we have assumed.

YOUR SAVINGS AND INVESTMENTS—1

Two years after the lifting of exchange controls . . . a report by **Rosemary Burr**

The lure of foreign currencies

UK INVESTORS are spreading their investment wings and placing their money around the world. The abolition of exchange controls and record interest rates have put new gloss on foreign currencies. A handful of currency funds have sprung up to meet this desire.

Any UK investor considering a currency fund must decide whether he wishes to delegate the responsibility of choosing a basket of currencies to a fund manager, or whether he wants to take the decisions himself.

Far and away the largest currency fund is run by N. M. Rothschild—Old Court International Reserves. Set up in Guernsey in the middle of last year it has attracted around $100m, roughly half of which has come from corporate customers.

The idea behind the fund is amazingly simple. When an individual goes to his bank and deposits money the rate he receives is usually around 2 points lower than the wholesale rate for large sums. He also gets a poorer rate than a large corporate customer when changing sterling into foreign currency.

So Rothschild decided to offer investors the opportunity of getting deposit rates and foreign exchange rates more closely aligned with the wholesale market.

Old Court Reserves actually consists of 10 separate funds in 10 different currencies, and investors choose their own currency.

In contrast to other currency funds there is no initial fee. Instead the investor pays a ¼ per cent annual management charge. The actual investment is in the form of redeemable preference shares which are priced daily.

When investors sell their shares they may make a capital gain which is subject to tax. At present there is no income tax liability, but the Inland Revenue is believed to be looking into sterling funds which operate in a similar manner, and the position may be modified in the future.

Tax aside, the individual gets a better deposit rate than he could get from his clearing bank, for example, the sterling deposit rate at Old Court this week is roughly two points higher than that offered by the clearers. This means people with money in sterling bank deposit accounts could increase their return by switching to Old Court.

Once money is in the fund it can be switched free of charge into other currencies. If exchange control was to be reinstated in the same form as last time then all the fund, including that portion denominated in sterling, would be considered as money overseas as the redeemable preference shares are denominated in one American cent. Seven days notice is needed before selling out of the fund. There is no fixed minimum investment, but investors with less than £1,000 are not encouraged.

The table shows how the various currencies have fared since the funds started a year ago, as well as the current rate of return after management fees.

For an extra quarter per cent on the amount invested, a full management service is offered. About 10 per cent of the total fund comes from individuals usually with at least £100,000 who have opted for this specially tailored service.

Mr Richard Katz, a director of N. M. Rothschild says the standard model is up 30 per cent between July 1980 and this September. "The worst anyone has done is to earn 30 per cent more than on a straight sterling deposit over the period."

For those less well-endowed with worldly goods than the £100,000 plus customers taking Rothschild's managed portfolio, several other funds are available to enable the individual to delegate the decisions on which is the best currency. Guinness Mahon, the merchant bank, was among the first to launch a currency fund in May 1980. Its International Fund, based in Guernsey, is denominated in dollars and its main aim is to "protect real asset values essentially through the management and diversification of currency exposure."

OLD COURT INTERNATIONAL RESERVES

Currency	% return in Sterling terms between 29.7.80-30.9.81	Current return* % 26.10.81
Belgian franc	÷3.3	11.53
Canadian dollar	+49.6	16.57
Deutschemark	+10.2	10.45
Dutch Guilder	+7.9	10.16
French franc	+12.46	16.08
Italian lira	+18.73	18.29
Singapore dollar	+46.3	8.92
Sterling	+16.22	14.38
Swiss franc	+13.93	8.1
U.S. dollar	+56.19	14.61

Date 26.10.81.
Size of fund U.S.$99.84m.
* After deduction of management fee equivalent to ½ per cent per

Apart from placing money in foreign currencies in the form of bank deposits and certificates of deposits, some money may be placed in fixed interest securities and gold. The initial fee is 2.5 per cent, which is lower than for most funds. In addition, there is a management fee of ½ per cent per annum, and a custodian fee of ¼ per cent.

The size of the International Fund is now $5m and as with the Old Court fund, investors are given redeemable preference shares. The share prices are based on the underlying net asset value of the fund. Over the past 16 months since it was launched, the fund has produced a return of 47 per cent including dividend payment.

For investors who prefer a UK-based fund, Cannon International Money Fund, also managed by Guinness Mahon may be the answer. The minimum investment is £500 and the funds are invested in units of the fund. There is an annual management fee of ¾ per cent and withdrawals are at the bid price. The difference between bid and offered price is fixed at 5 per cent, plus a small rounding adjustment.

The tax position is rather different from offshore funds. The unit price makes allowances for the payment of basic rate income tax and capital gains. The tax situation may be complex particularly for higher rate tax payers and it is worth seeking professional advice. A small element of life assurance cover equivalent to 101 per cent of the bid value of the units is payable in the event of an investor's death.

Cannon International has produced a gross return for investors of 28 per cent in the past 14 months and the fund now stands at £6.5m. Unlike the Guinness Mahon International Fund, Cannon invests solely in short call deposits in sterling and major world currencies.

Britannia Managed Currency Fund, based in Jersey, sets out to "maximise, in sterling terms, the total return from international bank deposits." In the first year the fund produced a return of 30 per cent including reinvested income. The present value of the fund is £4.2m and the estimated income return minus management fee is now 12.8 per cent.

Britannia's fees are relatively high with the initial fee rising to a maximum of 5 per cent and a management fee per annum of 1 per cent. The minimum investment is £1,000 and dividends are paid without the deduction of tax to non-Jersey residents. Britannia says that now it has one year's performance under its belt, it will market the fund more aggressively.

PRUDENTIAL CORPORATION

Vanbrugh Life, the unit-linked subsidiary of the Prudential, is the most recent entry into currency fund management. The fund has grown rapidly since its launch on May 13 to stand at £10.7m on October 19. The aim of the fund is to provide capital protection and appreciation relative to sterling.

Vanbrugh Currency Fund, a Jersey registered fund, operates like a normal open ended unit trust. The fund restricts itself to short-term bank deposits and money market instruments in major currencies. The unit price rose by 17.02 per cent between May 13 and October 19.

The minimum investment is £1,000 from which is deducted an initial charge of up to 5 per cent. The bid/offer price of the units is calculated by Midland Bank Trust Company in Jersey

Homeward bound at last

The mortgage battle between the banks and the building societies . . . RAY MAUGHAN gives a personal view

The house that Ray bought

WE KNEW we'd have to move whatever the state of the housing market. The flat I'd bought in my carefree bachelor days was bulging at the seams with the three of us. Junior, although still only able to crawl slowly backwards, was showing distinct signs of becoming highly destructive once fully mobile.

We decided to move locally. Testing the water of the housing market was quite straightforward. Having shortened the list of properties which could have suited us, the next, knee-jerk, reaction was to approach the building society. It had been helpful to me before, when, as a first time buyer, I wanted to borrow a little over £12,000. This time, we needed £30,000 plus and had some £10,000 equity from the sale of the flat.

Our chosen area is not fashionable and nobody would expect to pay through the nose for the pleasure of living there. We wanted to stay in this quiet, multi-racial, mostly working class inner London suburb which is neither riotous, run-down or, by any stretch of the imagination, exclusive. A price spread of £40,000 to £50,000 seemed to cover most terraced, centrally heated family houses.

A brief chat with the building society over the telephone did not sound too helpful but I hoped that a meeting with the branch manager would sort something out. It struck me that there must have been a lot of other people like us in the market place.

The manager couldn't see me that morning but his assistant left me in no doubt that the society was unable to help. We would have to wait for four months before the branch received its next cash quota and would anyway not contemplate advancing over £25,000. The assistant smiled bleakly and said "why don't you try your bank?"

I knew that the clearing banks were getting into the mortgage market and my bank, it turned out, had a fully established home loans division, run from Birmingham.

The bank sent me a detailed application form which I completed and took with me to a meeting with the deputy manager of my local branch. He sounded encouraging and not at all put off by the size of the sum I wanted to borrow. Having verified my salary declaration with my employer the bank was able to make us an offer, subject to survey. He was keen that my wife and I signed jointly for all that her working life is devoted to keeping junior and catastrophe apart.

In all cases, the bank was only willing to advance up to a maximum 80 per cent of the agreed purchase price. I think it helped that I had banked with the same branch since leaving school. Yet I don't think it was essential. The bank merely wants a borrower to switch his current account if he has been banking with another clearer. It obviously helped, though, that my account had been in reasonably good shape after the devastation it had suffered during my student and subsequent Earls' Court days some years before.

The costs were exacting without being onerous. The bank charges an arrangement fee of £50 which it deducts from the advance. The borrower pays the bank's own legal fees which were set at a little over £90. The survey fee, which pays for a report which the buyer does not see, was just short of £70.

The bank, moreover was not charging a premium for larger loans. The rate quoted was 13 per cent, although this has since risen to 15 per cent in line with Base Rate. By contrast all too few building societies have dropped the rate differential on higher loans and, in the case of the society I had approached, the advance requested would have entailed a 2 point interest rate premium.

The bank also offered the choice of capital repayment, endowment mortgage or a mixture of both. We chose the former. The issue is complex and the choice can only be decided on an individual assessment of the burden of gross monthly repayments, marginal income tax rates and the extent to which the loan exceeds the £25,00 ceiling on mortgage interest relief. Our choice was governed largely by liquidity needs in that we wanted the maximum tax relief in the early years (when we would be most broke).

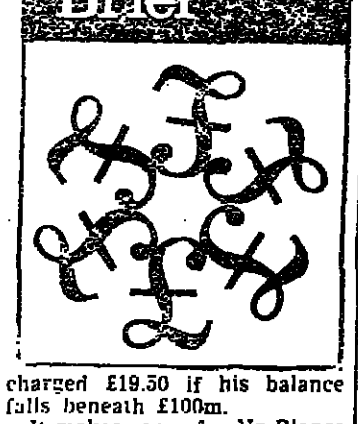
The survey was satisfactory and we have since exchanged contracts. The bank required us to insure the building on the Royal Institute of Chartered Surveyor's Cost Index, adjusted annually. We were asked to insure the house at a £13,000 (30 per cent) premium to its purchase price. The higher figure is the surveyor's own calculation of re-building cost.

All being well, we should be able to move in late next month. We couldn't persuade the rest of the 'chain' to complete on Friday November 13. But, fingers crossed, the deal is done. Past experience will persuade me to double-check with the Inland Revenue that full details of the necessary recoding have been forwarded from the lender.

One last thought which still niggles. We were selling the flat into a buyers' market and expected difficulty. As it was, we accepted an offer from only the second prospect to see our flat—and that was on the day after putting the flat on the market. So, the estate agents we had instructed had done their job well. The pity of it was, from our point of view, that the charge for this exacting marketing task was a cool £511, cum VAT.

Chequepoint

Banking Brief



MOST PEOPLE get very angry at the idea of paying bank charges. Although more than two thirds of bank customers pay no charges, the mere fact they may be asked to pay for using their cheque books infuriates people. Record interest rates have also led to increasing complaints about the lack of interest on current account balances.

So great is this groundswell of opinion that the clearers are once again carefully considering introducing current accounts with interest. The idea is not new and Western Trust and Savings, the aggressive Plymouth-based offspring of Royal Bank of Canada, already offers interest paying current accounts.

Leaflets produced by Western Trust fail to point out that interest on current accounts is subject to tax. This is frequently overlooked by advocates of interest paying current accounts and many customers who run active accounts could find themselves worse off under this system.

Western Trust's chequeplan gives customers a 2.54 per cent annual rate of interest and charges them 10p per withdrawal. The average actively used account will involve about 100 transactions a year at a cost of £10. A customer with £500 in the bank paying basic tax will end up losing £1.11p.

In contrast the clearers' schemes, which vary from bank to bank, as the table shows, look relatively attractive. For example, Mr Bloggs banks with Midland which asks him to keep a minimum of £100 to get free banking. Assuming Mr Bloggs completes 100 transactions a year, 10 per cent of which are direct debits, he will be charged £19.50 if his balance falls beneath £100m.

It makes sense for Mr Bloggs to keep £100 in the bank unless he can earn £19.50 after tax by investing this sum elsewhere. Even with current high interest rates this is a fairly daunting task.

That said, most people keep too much money in their current accounts when they could be earning interest by switching some funds to deposit accounts or building societies. A standing order can be set up to transfer regularly a specified sum from current to deposit account.

Bank	Cost of cheque for those who pay bank charges	Minimum balance to avoid charges
Williams & Glyn's	20p	£0
Nat West	18p	£50
Midland	20p	£100
Barclays	17½p	£50
Lloyds	20	£100

Rosemary Burr

Britannia first

THIS WEEK saw the arrival on the UK investment scene of the first unit trust investing in USMs. Britannia has beaten the other management groups with its Jersey-based Britannia Unlisted Securities Market Fund, a rather uninspiring name for the opening of a new investment field for the individual investor.

The USM market is almost a year old and during that time it has shown the investment potential of these stocks. As expected, the market has been more volatile in its movements that the mainstream equity market, but the swings have not proved so violent as to frighten off investors. The fund will endeavour to limit the downside risk by maintaining a minimum 10 per cent liquidity and having not more than 10 per cent of the fund in any one company.

The USM fund is for investors seeking capital growth, and no dividend is expected in the first year. Minimum investment is £1,000.

E.S.

Fistful of dollars

THE SO-CALLED dollar money market funds, which allow people of modest means to take advantage of wholesale money rates, are all the rage on the other side of the Atlantic. And they seem to be catching on here in the UK although none of the big clearing banks have have thrown their cap into the ring yet.

The latest player to emerge on the scene is the 117-year old Bank of California which is launching its Money Market-Plus service in the UK. Although not one of the biggest banks in America, Bank of California is one of the more innovative, and in the six months since the scheme has been going in the U.S., it has attracted over $74m, primarily from small investors.

There are special reasons, to do with U.S. interest rate controls, which explain the phenomenal success of the money market funds in America, but there are a growing number of people who believe the idea can be transplanted with some modifications to the UK scene.

Before UK investors get too enthusiastic about U.S. style money market funds it needs to be remembered that because they are dollar based there is an exchange risk. Nevertheless, most of the funds are withdrawable at relatively short notice so the risk is limited.

The Bank of California requires a minimum balance of $25,000 and funds can be withdrawn in minimum amounts of $1,000 at one business day's notice. Interest is calculated daily and paid gross at the end of each month. On October 22, the fund would have offered investors 15½ per cent, roughly 1 per cent lower than the three-month Eurodollar rate.

For UK-based investors that want access to a U.S. dollar-type money fund already there are a number of alternatives available. The European Banking Company offers investors access to Eurodollar money market rates through the Jersey-based International Income Fund. The minimum investment is $1,000.

Saturn Investment Management (SIMCO) has recently launched a dollar money fund with a minimum commitment of $25,000. It has only been going for just over a fortnight but has already attracted $3m. The fund is modelled along the lines of its sterling-based seven-day money fund. The new dollar fund is currently offering investors 13¾ per cent on their money which compares with a rate of 14½ per cent on overnight dollar money.

William Hall

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Eric Short reviews a new tax-efficient bond

Merchant's challenge

THIS WEEK Merchant Investors Assurance launched its new Capital and Income Bond, a product which should make a major impact on the lump sum investment market. For this plan virtually overcomes the higher rate tax liability charged on unit-linked life assurance bonds.

The taxation of life assurance contracts is complex. But basically regular premium contracts—if approved for tax qualification purposes—can pay benefits completely free of income tax (including investment surcharge) and Capital Gains Tax if they are cashed in after a certain period. That is usually 7½ years, if the policy is correctly designed. Earlier cash-ins are subject to higher rate tax on the "profit" element.

Single premium bonds are taxed at the higher rate on the "profit" element, irrespective of the time they are cashed in: investors are allowed to withdraw up to five per cent of their original investment each year for 20 years, without having to pay tax at the time of cash-in. The tax liability on each withdrawal is deferred, and dealt with at the time of final encashment.

However, under the new Capital and Income Bond, investors can withdraw up to 10 per cent of their original investment free of all personal taxes during the first 10 years. And, they can withdraw any level of income supported by the bond after 10 years free of personal taxes. Finally, they can cash in the bond completely free of tax at any time after seven and a half years. Higher rate tax liability only occurs if the bond is cashed-in before seven and a half years.

How does Merchant Investors achieve this breakthrough in life assurance planning? By combining a package of life assurance contracts that turns all previous actuarial considerations on their heads.

The package consists of 10 single-premium term assurance policies, each of 10 years duration, together with a regular savings policy. The premium under the latter contract is a nominal £1 paid each year, and everything else goes in the form of premiums on the term assurances.

Consider an investor putting £100,000 into this bond. Then £99,999 is used as premiums for the term assurance, split £10,000 for nine of the contracts and £9,999 for the tenth, while the remaining £1 pays the first annual premium on the regular premium plan.

This investment actually buys £95,000 worth of units, after allowing for the bid-offer spread, and these are attached to the savings policy. Thus £1 of premium has bought £95,000 worth of units. The mechanism of this metamorphosis is incomprehensible except to the designers, and the literature on the plan makes no attempt to explain how it happens.

The term assurance provides the life cover, and the guaranteed amount paid on death on the endowment assurance is £7.50—the legal minimum limit necessary for qualification. Each term assurance has a guaranteed surrender value, available on each policy anniversary only, of an amount up to the premium.

Thus to provide income during the first ten years, the investor surrenders one of the term policies each year. Since the payment does not exceed the premium, there is no liability to higher rate tax or investment income surcharge. So the income is paid tax free. The investor can take less than the full surrender if he chooses.

The cost of paying the surrender value of the term contracts is met by cancelling, not cashing-in the appropriate number of units—a technical move necessary to aviod incurring a chargeable event.

The savings policy has been given qualifications status by the Inland Revenue. This may seem surprising, but under the legislation governing conditions for qualification, there are no conditions relating to the amount of investment or the amount of cash-in payments to the premiums. All that is covered is the relationship of the guaranteed death cover to premiums.

Qualification grants two valuable tax concessions. The better known is the tax credit given on the premium paid. But qualification also means that cash-ins made after a certain period are paid free of all personal taxes.

For this bond, the second concession enables tax free income to be drawn after 10 years, or cash-in for a capital free lump sum after 7½ years. Indeed, the tax credit on this bond is minimal and Merchant Investors will not be claiming it from the Revenue.

The design of this bond makes the old style Guaranteed Income Bond package look a model of simplicity. The launch removes any doubts about whether life bonds or unit trusts are the better investment for higher rate taxpayers. This new-style bond wins hands down.

Merchant Investors is not the first in the field. This distinction belongs to Skandia Life which launched its Capital Investment Bond a year ago. The Merchant Investors Bond closely resembles Skandia's bond with a few refinements.

But whereas Skandia has been marketing its Bond selectively to higher rate taxpayers and keeping a low profile, Merchant Investors intends to market its bond aggressively. Other life companies may well be forced by market pressures to follow suit. At present they are waiting to see whether the Revenue reacts.

For the Revenue has taken a new "hard line" with life assurance packages that go against the "spirit" of the legislation. This was shown by its action last month against life companies marketing guaranteed income bonds that abused the tax credit provision.

This prototype bond can be regarded as abusing the spirit of the tax legislation relating to the taxation of lump-sum investments in life contracts. If one looks through this plan, the investment aspects are no different from an ordinary life bond.

The Revenue is well aware of the new bond and simply states that it is considering the position. But it does not have a weapon immediately to hand to stop such bonds as it did with guaranteed income bonds, where it simply withdrew tax qualification. It would need legislation and this could cause concern to the life assurance industry.

If the Revenue adopts its usual practice of using a steam hammer to crack a nut, then any action could result in a planning blight on all future life product development.

The problem could be solved simply by either making these plans chargeable events, or by banning artificial combinations of policies and making a life company official, such as the appointed actuary, legally responsible for certifying that any back-to-back arrangement complied with the law

The pension watcher

MR EDWARD JOHNSTON, the Government Actuary, emerged briefly into the limelight this week when he took part in a debate at the Institute of Actuaries on the evidence he gave to the Scott Committee on index-linked civil service pensions.

Early next year he could earn a larger dose of public attention when the Government publishes his department's long-term report on the state pension scheme—a study which seems certain to highlight the ever-increasing cost of sustaining the growing army of old age pensioners.

Not that Mr Johnston, as a career civil servant, has any intention of becoming a public figure. But he does feel that there should at least be more contact between the Government Actuary's Department and the actuarial profession at large.

"I feel it is entirely right," he says, "that I explain what I do to the profession and listen to their comments about it."

The Government Actuary's duties are wide, ranging from the provision of population projections to other Government departments, to the checking of the monthly list of prizewinning Premium Bond numbers to make sure that ERNIE, the computer, is really generating a completely random output.

He acts as consulting actuary to a number of funded pension schemes within the public sector, a role which faces him with the same kind of problems which are regularly faced by actuaries in the private sector.

But he also has a supervisory role, as actuarial adviser to the Department of Trade which has responsibility for monitoring insurance companies.

Recently the insurance scene has been relatively peaceful and great efforts are made to keep any problems that do arise out of the public eye. It was different, of course, in the 1970s when a string of motor and life insurance companies ran into trouble.

"I think that 10 or 15 years ago companies weren't so careful about whom, they appointed as actuaries," says Mr Johnston. Since then, however, the system has been tightened up—there is a minimum age of 30 for company actuaries, for instance, and each newly appointed official is invited round for an

Mr Edward Johnston

informal talk with the GA.

Until the Civil Service pay determination system was changed, the Government Actuary was regularly called on for calculations of the value of index-linked pensions in the context of job comparability studies. The idea has been that civil service pay should be related to remuneration in the private sector.

These studies brought the Government Actuary into contact with the Scott Committee. His calculations and assumptions caused a certain amount of controversy when the Scott Report came out last February, though since then his views have gained in plausibility with the arrival of index-linked gilt-edged stocks which give an inflation-proofed yield of around 3 per cent. The fact that this yield is relatively high vindicates Mr Johnston rather than many of his critics.

Now Edward Johnston's department is completing the long-term report on state pensions. It is the first full-scale report of this kind for 15 years. It could well foreshadow severe political difficulties for future Governments as they struggle to persuade future generations to fulfil expensive promises made in the past.

Edward Johnston remains suitably discreet about what the report will show. "I certainly hope people will read it," he says.

Barry Riley

Rosemary Burr on predicting company performance

Mind your Ps and Zs

THERE IS no such thing as a magic formula for picking stock exchange winners. But there are a number of ways of narrowing the field a little, and Mr Bill Houston—a founding director of Performance Analysis Services—has come up with just such a scheme.

Mr Houston says his system is not just a means of choosing star share performers. "Our whole approach is not to produce hot tips, but to try and give a general understanding of fundamentals," he said.

PAS starts off with the Z score which rates companies according to their financial health on the basis of certain key ratios. These ratios are profitability, working capital, financial risk and liquidity. The Z score provides an instant snapshot of a company's financial well-being.

In times of recession, companies' Z scores will fall. The investor looking for a share to pick needs to know how a company is geting along compared to its competitors. To fill this information gap PAS has developed a P score which it says "irons out the statistical bugs in pure Z score and removes the economic peculiarities of each type of company."

With the help of a computer and using only public information PAS plots P scores for companies. A company may have a falling Z score but a rising P score if it is weathering the recession in better shape than its competitors.

Originally PAS offered subscribers a list of UK companies with records of their P and Z scores. This September PAS broke new ground and decided to pick out those companies on the path to recovery or alternatively those on the decline.

PAS does this by feeding in new information from the company into the computer and studying the four key ratios on which the Z score is based. These ratios show up the areas where the company is going wrong and PAS then decides whether the company's policy is designed to cure "its corporate Achilles' heel."

PAS says it can forecast a company's future ratios and use these to predict whether it is set on the road for higher growth. The system also acts as an early warning sign for troubled companies. Mr Houston says "if we tell people a company is on the decline we don't want them to run a mile, but do something about it. We are not morticians, but want to be catalysts for action."

PAS subscribers include pension funds, insurance companies, acceptance houses and credit control companies. The minimum subscription rate of £2,000 puts it out of reach of all but the wealthiest investor.

PAS RECOVERY STOCKS

A list of stocks which according to PAS have good recovery potential.

Company	Current price	1981 High	1981 Low
Appleyard Group	64	69	34
Associated Paper Inds.	43	44	24
Bassett (Geo)	51	70	32
Boardman (K.O.)	6½	11	6
Borthwick (Thomas)	19	34	10
BPC	20½	25	12
Braid Group	27	30	16
Camrex Holdings	44	54	23
Carrington Viyella	12½	17½	9½
Comben Group	35	61	35
Cooper (Frederick)	19	25	16
Courtaulds	51	78	50
Crouch Group	94	*184	85
East Lancs. Paper Group	54	78	45
Glossop (W&J)	54	66	39
IDC Group	68	88	48
Monk (A)	50	67	22
Parker (Francis)	23	29	19
Rowlinson Construction	38	52	34
Shaw Carpets	17	31½	17
Solicitors Law Stationery	27	30	21
Streeters of Godalming	22	33	18
Turriff Corporation	107	124	58
Wettern Brothers	72	83	53
Whittingham (William)	104	182	102
Wiggins Construct.	72	80	36
Woodhouse & Rixson	13	19	12

* Adjusted to allow for rights issue.
† As at October 29

PROPERTY

Shopping around for shops

BY JUNE FIELD

MOST BUSINESS agents report that although the failure rate in businesses is said to be heading for a record figure this year, the demand for small, sound, retail or service undertakings such as Sub-Post Offices, village stores, grocers, hardware and iron-mongery shops continues. And gaining in popularity is the service of looking after the family's pets while their owners are away, a rewarding small business that can be run from a pleasant home in the country.

"These are the sort of things which an individual or family can run, enterprises providing the daily necessities of life," say Christie and Company, with nine offices around Britain. They are ideal "for the ever-increasing redundant, or those just fed-up with the escalating costs and aggravations of travel to work."

The company's recent research revealed that the sale price of the average small business last year was £32,883, an increase of £4,607 over 1979. The West Country, Home Counties and South Midlands are the most popular for retail trades, with Kent, Wales and Scotland the cheapest areas to buy in.

Kays of Blackpool and Lancaster, report a high level of activity particularly from inland areas where the employment situation is difficult. "But although many of these people are anxious to make a fresh start, their capital is tied up in their homes, and if the employment situation is bad, the market for selling houses is poor," points out partner Mr J. R. Kay. "Nevertheless the demand for businesses such as Sub-Post Offices, newsagents, sweets and tobacco is very good, producing a steady number of sales."

What sort of profit margins can you expect? In *Thinking of Buying a business . . .* by Jacqueline Mapes, just reprinted by Christie's, the average small confectionery/tobacconist business returns are shown as in the region of 15 per cent gross profit (tobacco approximately 9 to 10 per cent, confectionery about 20 per cent), a margin which can be increased by the sale of greetings cards, toys, stationery, paperbacks and chemists' sundries, all of which show margins of between 25 and 30 per cent. Newspapers can increase overall profits as they carry a 28 per cent margin.

Well-run country stores should earn in the region of 16 per cent gross, considerably higher where the owner boils his own hams, cuts the bacon and increases the cooked meats (delicatessen) side of the business. Hardware stores usually work on a 30 to 35 per cent margin—with timber, wools, drapery and needlework it can be nearer 40 per cent—and gifts, jewellery, antiques and ships' chandler businesses often show higher margins, but are more sensitive to position and fashion changes. The buying, pricing and stocking policy can all affect gross profit margins.

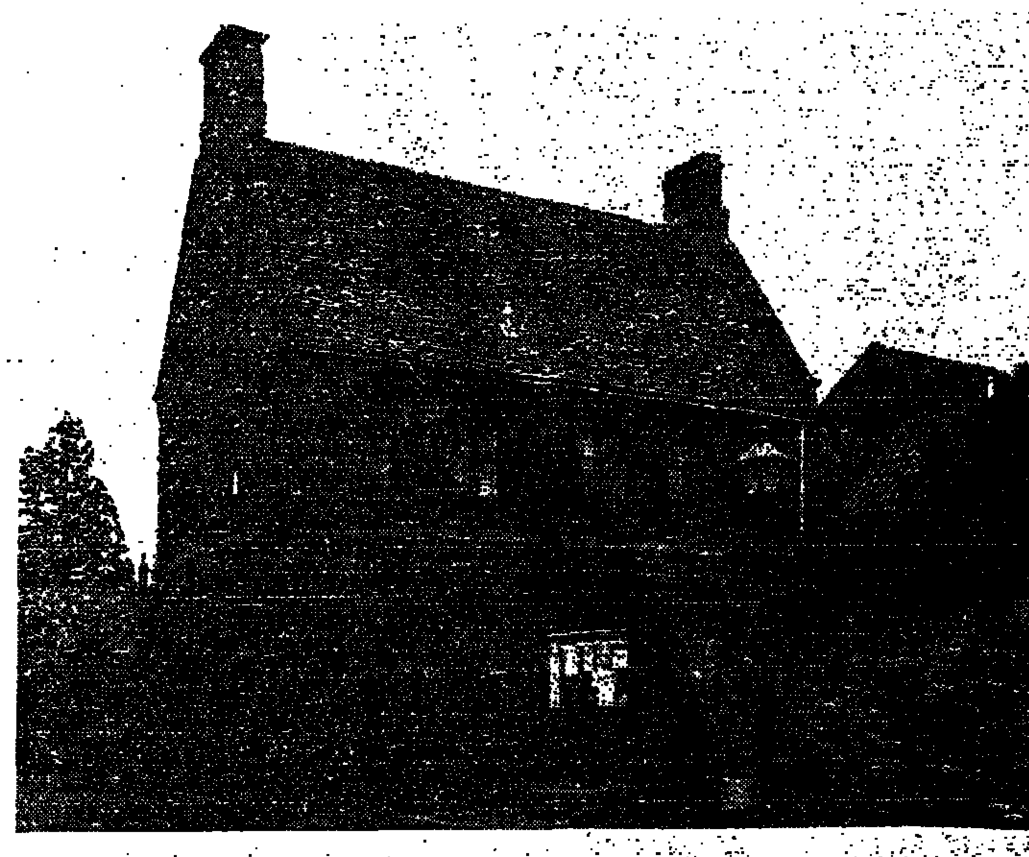
What about a bookshop? In *Your Own Bookshop*, Mr M. Knightly, reminds you that a successful undertaking of this kind, dealing in new books, is not expected to stock a copy of every British book in print.

The publication tells you how to buy books for resale and how to promote them, warning that stock control is vitally important. In an average bookshop stock turn (replacement in cash terms) is four times a year, with a higher figure for paperbacks and a lower one for technical books. As to how much money you need to start, Mr Knightly gives a very rough formula: "If the annual average industrial wage is X, then the minimum capital you are likely to need for a small viable bookshop is 4X.

How to raise funds? In the October *Lloyds Bank Review*, Mr Graham Bannock, managing director of The Economist Intelligence Unit, writing on "The Clearing Banks and Small Firms" commented: "Even existing small businesses in Britain have borrowings of around £20bn from the banks." He considers that these could easily double in real terms by 1990, with accelerated growth at the end of the recession, and that technological changes combined with social changes (more people working at home), could yet see a return to a brewery and bakery in every community.

The mammoth, all-embracing *Complete Guide To Managing Your Business* which covers a weath of detailed information and serious advice, also has some novel ideas on how to begin in a small way. "Almost every household can raise £100 and often much more, simply by selling things they probably had forgotten they owned. Hiring a market stall and chucking out everything that is not essential has started some very valuable businesses."

If you have a feeling for animals, want to work in the open air, and are prepared to be out in all weathers all the year round, you could think about a kennel or a cattery. "It is a very small market," admits Mr John Heffernon, former estate agent who started The Kennels Agency in Berkshire about 13 years ago. "But it is one gaining in popularity, with this sort of home and income sought either by a young couple who already breed and show dogs and like to live and work with animals, or the middle-aged retired pair (from the Armed Forces or professions), who have a good equity in a large home, say £60,000 to £90,000, who want to move to a smaller house in the country, yet still need something to do. A small cattery could also be a profitable hobby for the wife of a London commuter, or for a semi-retirement home and income."



AROUND £120,000 is being sought for this attractive Northamptonshire Post Office Store and excellent home. Details Mr Mike Harris, Christie and Company, Universal House, Walter's Yard, Bromley BR1 1QA (01-460 3413), who will also send the booklet "Thinking of buying a business . . ." for £2.50

Although no actual qualifications are needed, an owner has to be licensed by the local authority and abide by the bye-laws, one of which is that there must always be a responsible person living on the premises. "And you need a good working relationship with a local vet," says Mr Heffernon, who points out that you also need a good deposit to put down, as in many cases much of the value is in the property rather than the turnover.

Rates to board a cat are usually £1.50 a day and £2 to £3 for a dog, according to size. Out of that 10 or 12 per cent has to go on feeding bills, and any staff wages. Profitable ancillary services are a parlour for trimming and grooming, sales of special pet foods, and puppy sales.

For a free list of what is for sale ranging from a stone cottage in Wales with kennels and planning consent for breeding, £28,500, a pretty cottage in Devon including a cattery (£75,000), similar in the New Forest, and a bungalow in seven acres in Yorkshire, with kennels for 48 dogs and 15 cats, £88,000, contact Mr Heffernon, The Kennels Agency, 26 High Street, Twyford, Reading, Berkshire (0734 345676). From the same address, for £5 they will also send Gordon and Sylvia Heginbotham's practical book *Boarding Kennels and Catteries — Their Design and Management*, with an appendix by The Kennels Agency on planning consents, licences together with sketches of all types of multiple and single kennels.

Booklet *Thinking of Buying a Business*, £2.50 including postage plus property list from Mike Harris, Christie and Company, 1 Walter's Yard, Bromley, BR1 1QA; Commercial Property Brochure post free from J. R. Kay, Kays, 225-229, Church Street, Blackpool FY1 3PB; loose-leaf book *The Complete Guide to Managing Your Business* £20, plus £24.50 (both including post) for monthly updating service, from Angela Duffy, Vine House, 41 Portsmouth Road, Cobham, Surrey. *Your Own Bookshop*, £3.90 plus 55p postage from Malcolm Stewart Books, P.O. Box 265, London N3 2QF.

RACING

DOMINIC WIGAN

THERE SEEMS little doubt that there will be plenty of racing enthusiasts settling for an armchair today for ITV teams are due to cover both Kempton and Newmarket while BBC cameras will be bringing Grandstand viewers the first three races from Wetherby.

Although Newmarket's Tia Maria Autumn Handicap carries the day's biggest purse through it's £15,000 added prize money the race everyone will, surely, want to see most is the Sandown Pattern Chase at Kempton for it has attracted Ireland's great crowd - puller Anaglog's Daughter.

The Will Durkan-trained 8-year-old faces a powerful quintet of home trained contenders made up of Clayside, Beacon Light, Artifice, Friendly Alliance and Money Talks on this, her 98th appearance on a racecourse since she made her debut as a three-year-old.

It will be fascinating to see whether Anaglog's Daughter, whose bold jumping at the head of her fields has so often wrapped up a long way out, can give weight to her rivals. She cannot be lightly opposed, but I just prefer the chance of Friendly Alliance.

This ex-Irish bay left his previous form over fences a long way behind at the Festival Meeting in overwhelming a strong field for the Grand Annual Handicap Chase and it is possible that he, too, is something right out of the ordinary.

Sent about his business on the run-in to the final fence in that Cheltenham event, Friendly Alliance settled matters in a few strides as he forged clear on his way to a 15-lengths victory over Pine Brook.

The latter finished only seventh behind Western Rose in Aintree's Sunrating Chase. his performance was so bad at Liverpool, but it seems reasonable to assume that he was either "over the top" for the season or had an "off day."

He is reported to be ready to do himself full justice on this occasion following a long break and will, I hope be able to take advantage of the 18 lbs he receives from the Irish mare. Both of them may prove a good deal too strong for last year's winner Artifice.

KEMPTON
1.00 Moonlight Express
1.30 Friendly Alliance***
2.00 Celtic Ryde*
2.30 Royal Judgement
3.00 Shaf We Tell
3.30 Jarvis Bay

WETHERBY
1.00 Wayward Lad
1.30 Rathgorman
2.00 Rich Dee

NEWMARKET
1.45 Sagamore**
2.15 Penang Hill
2.45 Baffin
3.15 Not At Home

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LEISURE

Jutland: a touch of the Vikings . . .

Viking burial place at Lindholm Hills, North Jutland

FOR MOST Britons there is a cosy familiarity about Danish landscapes that is very relaxing. Since we share a similar climate, the general greenness and healthy state of the husbandry isn't particularly unexpected, but it came as a surprise to find that only a century ago a million hectares of Jutland were completely unproductive heath and bog.

It was territorial losses to Prussia in 1864 that prompted the massive drainage programme that eventually reduced the heathland by 90 per cent, in the process transforming the landscapes and the economy. Now the heathland is protected. An example is the Rebild National Park, where Danish-Americans purchased a fine natural amphitheatre in the hills of heather, where the biggest July 4 celebrations in or out of the U.S. take place annually.

One of the curious features of this inhospitable terrain is its preservative qualities with very thought-provoking results as we found when confronted with the Tollund Man in Silkeborg Museum.

His weatherbeaten face relaxed as if in sleep. Sporting a couple of days' growth of beard, he might have been dumped yesterday in the peat grave in which he was found, not two millenia back when, despite his tranquil expression, he died by strangulation. In the same room is the Elling Woman of about the same vintage, who has not much face but a remarkable crop of plaited hair.

Jutland is a splendid place if you like poking about in the past — a bit of pre-history here, a touch of the Vikings there, a little Renaissance or baroque somewhere else, and the charming half-timbered houses of the 16th-19th centuries in many places — often either farms or inns, both of which also offer traditional forms of Danish accommodation.

The Danish farmhouse holiday is enormously popular, with guests normally taking part in the farming family's life and even, if they wish, in farming activities. Ten-day packages, including return transport by sea with car and a week's half board, are marketed by Danish Seaways; costs were £105-£180 this year.

Danish Inn Holidays with vouchers valid in any of a wide selection of *kro* (inn) establishments are a more recent phenomenon with great appeal if you are touring. We stayed in one of them — the Kongensbro Kro, just off the main Viborg-Arhus road, a small but delectable 17th century riverside inn, which served us a dinner of gastronomic stature.

Incidentally, if you are touring, ask for the Denmark-wide list of restaurants offering the Danmenu, a wholesome two-course meal often featuring regional specialities for a fixed DKr 48 (about £3.60).

The regional maps published free by the Danish Tourist Board are great aids to planning, with their accompanying notes listing all points of interest. Having a penchant for the Vikings, we followed the maps with relative ease to the remarkable burial site of Lindholm Hoje with its hundreds of boat-shaped graves on a hillside overlooking the industrial backdrop of Alborg in north Jutland and the fortified encampment of Fyrkat nestling in the fields near the eastern Mariager Fjord. Or there is one of the most famous of all rune stones in the churchyard at Jelling near Velje, announcing that it is dedicated to Gorm the Old by his son Harald Bluetooth "who conquered Denmark and Norway and made his people Christian." This can be combined with the total contrasts of Legoland at Billund a few miles west, whose world in miniature created out of Lego bricks has become one of Europe's top family attractions.

Jutland's main city is Arhus, which has a fine cathedral and an enchanting collection of town houses from several centuries brought together in the "Old Town" open air museum. Its rural counterpart in Hjerl Hede whose ancient buildings are scattered about an area of

TRAVEL

SYLVIE NICKELS

typical Jutland countryside north-east of Holstebro. Also you can see the real, lived-in thing, for example in some of the narrower streets of Alborg, or in exquisite little towns like Ebeltoft on the east coast or, south of Esbjerg, in Ribe whose local tourist office has played a major part in a unique example of urban conservation.

More or less in the heart of Jutland is the so-called "lake district with a whole string of small lakes and linking waterways lacing the attractive countryside. Silkeborg and Viborg are the two main small towns, each beside a lake, Viborg being the larger and older of the two with a cathedral and much fine old brickwork. The local tourist offices can fix you up with well-arranged local packages dedicated to such special interests as canoeing (for example, along the idyllic 160 km of river from Torring via Silkeborg to Randers), cycling, angling or golf, where necessary including hire of equipment and/or accommodation.

But undoubtedly one of Jutlands top attractions is its extraordinary coast fragmented by lagoons, interlinked bays and fjords and fringed with beaches that it would be virtually impossible to crowd. Some of the western ones are so long and firm that you can drive for miles along them, cut off from all signs of permanent human presence by vast areas of sand dunes.

One of these, called Rabjerg Mile, is like a mini-Sahara. It's near Skagen, a resort and fishing community close to the very northern tip of Jutland where the Skagerrak meets the Kattegat. The quality of the light and the prettiness of Skagen have long made it a magnet for artists, some of whose more famous works can be seen in local galleries or on the walls of the gracious Brondums Hotel.

● **Further information:** Danish Tourist Board, 169/173, Regent Street, London W1R 8PY; Danish Seaways, Mariner House, Pepys St., London EC4N 4BX.

Tollund Man

. . . And another touch in Wexford

BY ANTONY THORNCROFT

IRELAND OFTEN seems more foreign than France or Italy, its people not only happy to live a traditional leisurely life but also surrounded by an environment which has scarcely changed for a generation or more. Those popular television commercials, nostalgically recalling the 1930s, could have been filmed in practically any town street in Ireland.

This is as true of the pastoral east as of the wilder west. Wexford on the south eastern tip of Ireland is close to Britain in miles but many years away in pace and persuasion. Although now world-famous for its opera festival in October—still running—it is an attractive place at any season.

The festival ensures that it has two very good hotels, Whites and the Talbot (remarkably cheap rooms out of season—rather costly set meals) and a population happily used to visitors. Being just 90 miles from Dublin (and not much more from the airport of Cork) it is easily reached by car in a day from Britain. The drive from Dublin over the Wicklow Hills, which rise up with sudden drama just south of the capital, is a particularly good introduction to the difference of Ireland.

Wexford is at its most exuberant during the festival, which is centered on three invariably rare but accessible operas performed in a tiny Victorian theatre just off Main Street. It is this street which gives the town much of its charm. It dates from the early Viking days of Wexford, and the earliest remaining structure, a Tudor building now housing Woolworths, can boast Cromwell's room where he stayed while killing the local rebels. Main Street is riddled with bars and small shops and during the festival the bars—over 30 of them—compete against each other in a singers' competition while the shops contest the best window display.

The bars are the social heart of Wexford. Some, such as the Tower, are as luxurious as a Manhattan cocktail lounge; others have scarcely changed in a century: one of them retains the grocery lockers, labelled "starch," "beans" etc, recalling the days when every grocer had a bar in the back (a common site today in rural areas). One bar on the Cornmarket still doubles as an undertakers. Anyone shy of the male dominance in the bars needs only to go into the lounges, which nestle behind them, where ladies abound. Bar or lounge is liable to erupt into singing, and once safely inside little notice is taken of the lax licensing laws.

From this constantly diverting street dark alleys (the old wharves of Viking days) run down to the quay, a grander Georgian development which stretches along the sea. As a port Wexford has seen busier days but a great bonus for the town is that it is a working community designed to suit its own pleasures and purposes and not frabricated for tourists. It is not picturesque but it is romantic.

Wexford is an ideal touring centre. Nine miles away is the great spur of sand that runs down to Rosslare, the car ferry port linked to Fishguard, reached in three hours and 40 minutes. This is the driest and sunniest part of Ireland and anyone nostalgic for an old fashioned family holiday could hardly improve on Kelly's Strand Hotel, devoted to just that. Even in October it was filled with well wrapped-up putters on the lawns that drop down to the beach; children rushing around excitedly; and parents drowsing away the afternoon on the covered verandahs after one of the cheapest and best lunches available in the neighbourhood. Prices in Ireland seem high until you realise that the Irish punt is now worth around 85p. Even so the absence of cheap fast food outlets means you probably end up eating quite expensive but excellent local mussels, oysters and sole. Kelly's is self confident, friendly, comfortable, very much geared to families and very reasonable in its off-season packages.

Within three miles of Wexford, at Ferrycarrig, is one of Ireland's many castles, or rather a massive 15th century keep picturesquely sited overlooking the river; 16 miles to the south is Kilmore where lobsters, crab, etc., can be bought cheaply, and boats venture in suitable weather to the Saltee Islands, Ireland's largest bird sanctuary. Within 30 miles there is Mount Leinster, over 2,600 ft high where the entire south east of Ireland with its beaches, market towns, ruined castles, megalithic monuments, becomes a map. Wexford is friendly, small scale, slightly mysterious, and quite different. In the summer it is the traditional seaside resort for the Irish; out of season it offers that much needed contrast.

Boxiness versus beauty

Volkswagen's new Polo. Europe's latest and best small car—but is it a hatchback or an estate?

BOOTS ARE back, at any rate, in the upper reaches of the car market. For executive car buyers, the hatchback's attractions have been less obvious of late. They are, of course, not the kind of motorists who have to carry bulky or heavy loads as a matter of routine. If they did, they would have a large and rather splendid estate car.

But lower down the size and price scale, the hatchback is consolidating its position. Two of the reasons are that a tailgate opening on to a load floor doubles a small car's utility—and the higher roof line makes for an impression of spaciousness inside.

In fact, the latest hatchbacks to appear in the budget price class have even edged towards the proper estate car. The message of Fiat's Panda is that boxiness is better than beauty if you are selling to people who think cars are really domestic appliances. And now Volkswagen's new Polo, unveiled at the Frankfurt Show last month and due to go on sale here in mid-December, confirms the trend.

The Panda is about as streamlined as a tea chest: the new Polo tries to look a little more elegant and its roof does dip down very slightly toward the rear. Conscious that, like all German cars, the Polo may cruise at or near its maximum speed for hours at a time on the autobahn, VW have made it as wind-cheating as possible to minimise fuel consumption. Its drag factor is, they say, well below that of many competitors. They maintain that it doesn't look like an estate car, but they are wrong. In truth, it is much more of an estate than a hatchback and could never for a moment be confused with a saloon.

Those who really don't like estate cars will have to await the coming of the three-box Derby version of the new Polo, early in 1982. But if your priorities include a flat-silled load space that large dogs can hop into and then lay comfortably upon, then you may find the new Polo a most engaging small car. I certainly did.

When VW invited me to try the new Polo in Sardinia, I drove myself to the airport in a Metro. A few weeks earlier I had used a Renault 5 for several hundred miles. Both are cars likely to attract a similar kind of customer as the Polo.

Compared with the Metro, the Polo is three inches longer in the wheelbase, nine inches

MOTORING

STUART MARSHALL

longer overall. It is practically identical in height and width. The 11-year-old Renault 5 is even longer in wheelbase, an inch taller and narrower. In weight, the Polo is the lightest of the three.

As I stepped into the Polo at Olbia and drove northward to the glittering Costa Smeralda, my first impression was of greater refinement than either Metro or Renault 5. The 1,043 cc engine, with overhead camshaft and crossflow cylinder head, is one of the most modern units in the up to 1.3 litre class. It is silky and free revving, develops 40 hp at 5,300 rpm and, it has to be said, shows up the age of the engine of the Renault and, even more so, of the Metro.

The gearbox is finger-light to operate, the drive train is silent and the whole car has an air of quality. On the winding, sometimes rough, roads of N.E. Sardinia, it rode well, cornered with precision and security even at silly speeds and was simplicity itself to park. I also tried the 1,093 cc version, with 50 hp at 5,800 rpm. It was a little livelier but not quite so refined if the extra performance was exploited. There is also a 1.3 litre, 60 bhp Polo, with alloy wheels and other goodies, though it won't be coming to Britain.

Cost is critically important at Polo's end of the market. So is fuel consumption. VW have not yet fixed prices but say they should not be much higher than those of the old model. These are £3,700 for the 1,093 cc LX, £3,800 for the LX Formel E. (This one gives away a little top-end performance by having an ultra-high fourth gear but gains a lot of economy, especially at motorway speeds.) There are three standards of trim (D, CL and GL in ascending order of luxury). All will be coming to the UK, though the new Formel E Polo will be sold only in "C" trim, on the principle that if economy counts above all, the least luxurious interior will do nicely.

All the new Polos make a little petrol go a long way. Realistically, the 40 hp car should average 40 mpg in normal use, the 50 bhp model, 37 mpg. The Formel E should be good for 45-46 mpg. At a steady 56 mph, its consumption is an astonishing 57 mpg; in town or holding 75 mph, it is still doing 40 mpg.

Its stub-tailed styling may not be to everyone's taste. But for a mix of economy, comfort and refinement, the new Polo will be the small car that other European makers have to beat.

BOOKS

Saudi sagas

BY SIR HAROLD BEELEY

The House of Saud
by David Holden and Richard Johns. Sidgwick and Jackson, £9.95. 569 pages

The Kingdom
by Robert Lacey. Hutchinson, £9.95. 631 pages

Already before publication Robert Lacey's book had been banned in Saudi Arabia, "on the basis of 82 objections." While writing it he took his family to live in the country, and his sources include interviews with the King and with no fewer than 14 of the Saudi princes. While he has not avoided some obvious susceptibilities, and he has added to the risks intrinsic to his subject by using the device of verbatim reconstruction of conversations almost certainly unrecorded, it was clearly far from his intention to present a hostile account of the Kingdom. His book would have been a lively and instructive companion for foreigners paying their first visit to the country. As it is, and because the revelation of its banning is not made until page 505, the reviewer has a duty to warn prospective visitors to leave it at home.

In one important respect it is less critical of Mr Lacey's hosts than the more soberly written survey of the same subject started by David Holden before he was mysteriously murdered in Cairo some four years ago, and finished—indeed two-thirds written—by Richard Johns. For Mr Lacey, having raised the question whether Saudi Arabia is likely to be "the next Iran," arrives at a cautiously negative answer, whereas Mr Johns concludes that "within five years Saudi sovereigns could have had their last page in history."

Considering the magnitude of the part played by the Saudi Kingdom in the economy of the free world, the question is of urgent practical importance. There are factors favouring its stability. To begin with the nature of the monarchy itself, it is signficant that the present king was not the first but the second surviving son of Ibn Saud, and the present Crown Prince the fifth, at the time of their accession. The rule is not one of primogeniture, but of seniority tempered by relative willingness to serve and above all by capacity for the task as judged by the family consensus. There remain 26 younger sons of the founder, and in all the royal Princes number between two and three thousand, linked through their mothers and their wives with many of the powerful families in the country, and some of them holding important offices of State.

The family is thus a political base of an altogether different order from that of the Shah. King Khalid is moreover, again in contrast to the Shah, closely identified with the religious establishment. The attempted revolutionary coup in Mecca in 1979 had a religious motivation but was conspicuously without support from the Islamic leadership.

If the regime is immunised against religious reaction such as that which destroyed the imperial system in Iran and killed President Sadat in Cairo, it also has substantial defences against social revolution from the Left. Saudi Arabia is increasingly a welfare state, and one which does not depend on taxation (Mr Johns calculates that it is "accumulating surplus revenues at the rate of $1,000m a week"). The native workforce is relatively small and widely diffused. The country is as large as Western Europe, and in a population of only 6m there are perhaps as many as 1m non-Arab imigrant workers, overwhelmingly from South-East Asia and consequently unlikely to become involved in Arab political movements.

There are of course weak links in the defences, notably the concentrations of potential dissent in the armed forces and in the eastern province where a Shia minority is vulnerable to propaganda from Iran and where Palestinian expatriates are most numerous. Palestine is the issue on which discontent could most easily be focussed, and the sensitivity of the Kingdom to this possibility complicates its relationship with the United States.

The current attempt of the Reagan Administration to involve Saudi Arabia in mutual defence arrangements, without at the same time showing any readiness to exert its influence for a reasonable settlement in Palestine, spells danger for the Saudi regime. The later chapters of *The House of Saud* include a meticulous and thorough narrative of the Kingdom's relations with its Arab neighbours to the north and with the States across the Red Sea, in the Horn of Africa and in the south-east corner of the Arabian peninsula. They also underline the dilemma presented by the fear of Soviet expansionism on the one hand, and on the other the fear of provoking Arab nationalist reaction by a too intimate association with the United States.

King Feisal's last meeting with Dr Kissinger—one of the illustrations in "The House of Saud" by David Holden and Richard Johns reviewed today

Personalities, three in particular, play a major part in both these studies. The towering figure of Abdul Aziz Ibn Saud, with whom the story begins, has grown legendary and somewhat shadowy. More vivid are the memories of his successor. "If Abdul Aziz united the Kingdom," Mr Lacey writes, "it was Feisal who started to make of it a modern State." He was an austere figure, hard working, deeply conservative, preferring to conduct his policies with the least possible publicity, giving to those who met him an impression of profound disillusionment. As the guardian of Islam's holy places he was obsessed by the fate of Jerusalem; to a reminder that the city was considered sacred by the Jews also, he replied characteristically that "another wall can be built for them to weep against."

Finally there is Sheikh Ahmed Zaki Yamani, Petroleum Minister for the past two decades and the embodiment of the sophisticated and internationally responsible policy pursued by Saudi Arabia since the price of crude broke free of control by the oil companies at the end of 1973. With the full approval of his royal masters, and with the bargaining power of by far the world's largest petroleum exporter, Yamani has striven to hold prices down in order to limit as far as possible the damage to the free world economy. It is not altruism but clarity of vision. "We know," he says, "that if your economy falls we fall with you." Here is one, and not the only reason, for hoping that the House of Saud will endure.

Nobel Australian

BY CHARLES OSBORNE

Flaws in the Glass: a Self-portrait
by Patrick White. Jonathan Cape, £7.95, 280 pages

The greater the artist, the more impossible the man? Not, of course, necessarily; frequently, however, yes. Add to the natural advantages of an inherited foul temper and an incipient paranoia the unnatural disadvantage of having lived most of one's adult life in Sydney, and you have Patrick White, the man. Add the gift of genius, and you have Patrick White, the novelist. The novelist last appeared before his public with *The Twyborn Affair*, which teetered dangerously on the edge of self-caricature's abyss but did not fall off.

The man has now produced a self-portrait. Since he is intelligent enough not to be fooled by himself all the time, the result is a fascinating book: when, that is, he is describing himself. One of White's most valuable qualities as a novelist is his ability to find and to reveal the extraordinary in the ordinary: *The Tree of Man* is about not very interesting people, but it is a magnificent novel and an absorbingly good read.

Flaws in the Glass takes some time to get going, because White the non-fiction writer cannot lift those dreary relatives of his out of their rut of ordinariness. It is only when he gets to war, when he meets Manoly Lascaris with whom he has shared his life for the past 40 years, when he describes Jewish Alexandria or Manoly's relatives (far more colourful than Patrick's) that one's interest is aroused.

The novels are written not out of a Goethean love of life (he loathes Goethe, "the padded monster") but out of a Baudelairean wallow in "dégoût et misère." Let no one say that hatred is uncreative: "I have to admit to a bitter nature," writes the author of *Riders in the Chariot* in this devastatingly honest self-portrait. Having known him for 20 years, I would agree that his is an unforgiving, black and arrogant temperament. I would add, however, that he can be one of the funniest of companions, and the most loyal of friends. Can be, but is not invariably.

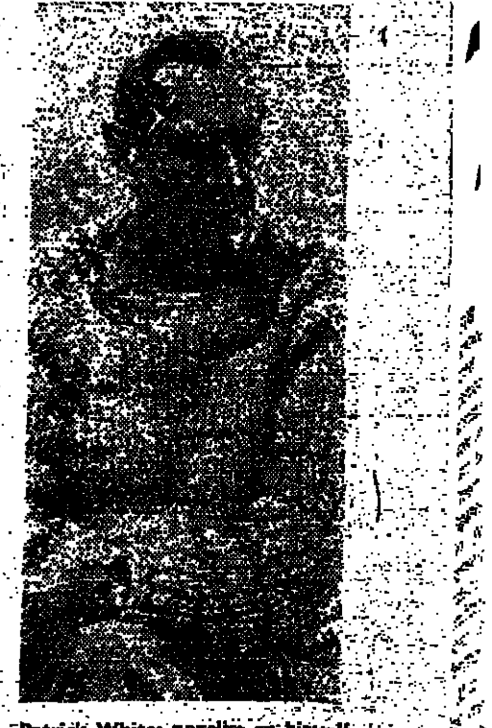
Most of Patrick's friends have fallen foul of the temper at some time or another: my turn came while I was his house guest for a few days, and what I remember of the occasion are eyes, Patrick's blazing with 100-watt anger, Manoly's filled with tears of compassionate embarrassment compounded with dyspepsia. How fortunate that Patrick early discovered his genius for the novel, or that, as he puts it, it discovered him. What a tyrant of a political leader he might have become; what a Grand Inquisitorial prince of the church.

The hatred can sometimes dwindle (and then what sighs of relief we all breathe) into an amiable bitchiness. His own moral stance, that of a misanthropic vaudevillian, a kind of antipodean Max Wall, he sustains well:

> "Some critics complain that my characters are always farting. Well, we do, don't we? *fart*. Nuns fart according to tradition and pâtisserie. I have actually heard one."

The novelist's ear would have detected the redundancy, and worse, of that last sentence, and deleted it, but many of the memoir-writer's finest anecdotes suffer from unnecessary and æsthetically damaging final sentences:

> "there was the whole *coq au vin* I spilled on the floor, but mopped up, schnauzer hair and all, and served John Gielgud. Although I say it, that *coq au vin* was about the best I have tasted."



Patrick White: novelist on himself

The delights of *Flaws in the Glass* are many, and they are not all those of *Schadenfreude*: there is a snide republican glare at the Queen, on the occasion of White's lunch with her, and there is the shocking *lèse-majesté* of Joan Sutherland assuring the author that she had not read a word he had written, but could not put *The Thorn Birds* down. The moral of that, says Patrick, "is an old one: divas should never meet."

A few old scores are settled, in a final, rag-bag section of the book, "Episodes and Epitaphs." In the extraordinary comments on Sidney Nolan, the conventional mind of the grazier's son finds expression. The novelist is an altogether more complex and, yes, even a more compassionate creature.

Surgeon extraordinary

BY NIGEL NICOLSON

The Gates of Memory
by Geoffrey Keynes. Oxford, £12.50, 428 pages

Mark Twain, when asked if he intended an autobiography, replied, "Certainly not. Confession may be good for my soul, but it sure plays hell with my reputation." Sir Geoffrey Keynes need have no fear for his soul or reputation, since both were firmly rooted fifty years ago. No autobiographer is on oath to tell the whole truth, but this book seems to tell nothing but the truth. There is more in it about his friendships than his family, his occupations than his profoundest beliefs, but one does derive a portrait of the complete man he was and is. If in the later pages the honours accumulate rather thickly, why, so they did, deservedly.

Let there be no misunderstanding. Sir Geoffrey is not a conceited man. He is someone who has devoted himself seriously, courageously, ambitiously and successfully to his profession, surgery; and with zeal and serendipity to his secondary interest, bibliography. He wanted to make an original contribution to both. He did so, and lets us know that he did so. What other purpose does an autobiography serve? But he does not conceal his temporary setbacks, like his initial failure to pass exams, or the cruel comments made by an editor on the first drafts of his bibliography of Blake. He set himself at the fences once again, and cleared them.

Each occupation separately would probably have provided too little digestible material for a full-length book, since both are highly specialised. It is their combination in his life which makes Keynes so exceptional and warm a man, together with his manifold other interests, like lepidoptery, the ballet, his Chairmanship of the National Portrait Gallery, wood-carving and furniture-making, travel (particularly in Africa and America), and the many literary friendships he made with authors and scholars like Rupert Brooke, Siegfried Sassoon, John Sparrow, de la Mare and Blunden.

Although he leaves no doubt that surgery was the main love of his life, he achieved in bibliography too many scholarly firsts (Donne, Blake, Evelyn, Sir Thomas Browne, Jane Austen, Harvey, Hazlitt) to allow him, or us, to consider it a hobby. He protests that he remained an amateur in this field, and in addressing the Bibliographical Society, of which he became President, he advanced the salutary theory that the discipline must be a "fundamentally humane pursuit," shedding light not only on an author's publications, but on his personality and life. He more or less invented the notion of "bio-bibliography," defending himself against the drier professionals who might think it cheap. He denied that it required a creative mind, or he possessed one, but he does claim that it demands "a turn for craftsmanship and a certain tidiness."

Here, if one seeks it, is a link between his two central interests. As a surgeon he was a craftsman too, a dedicated one. He learnt his skills the hard way, in First War hopsitals close behind the front line, where the human organs were exposed not delicately by the scalpel but brutally by flung bits of steel. Later, as he rose slowly to the top of the surgeons' hierarchy at Barts, "the greatest hospital in the world," he became inventive, extending the life-saving use of blood-transfusion, and challenging accepted methods of treating breast-cancer and the rare complaint *Myasthenia gravis*. All this is explained in language just simple enough for the layman to comprehend, but whether one does or not, it is Keynes's enthusiasm which comes across, his genuine delight when summoned from his seat at Covent Garden, or from his bed at 3 am, to attend an urgent case. "On such occasions," he writes, "when the whole of our great hospital was in darkness and at peace except for the one small area where a patient's life or death might be in question, it gave me immense satisfaction to be there." There can be no profession in the world, he reflects, which is so intensely rewarding.

The vigour and clarity of Sir Geoffrey's book are those of a man still in his prime. As a schoolboy he could identify on the wing almost every European butterfly. Now aged 94, he retains an equal gift for observing and depicting human-beings. He looks back on "a quite outrageously enjoyable existence," but it was due not to chance or luck, but to his own efforts and a companionableness which has never degenerated into senile whimsy.

Silent sister

BY VALERY McCONNELL

Gwen John
by Susan Chitty. Hodder and Stoughton, £9.95, 223 pages

Gwen John shunned publicity with the same fervour that her brother Augustus cultivated it. Although they attended the Slade art school together, from 1898 until her death in 1939 Gwen John lived almost exclusively in Paris in semi-obscurity—the only enviroment which she found creative.

In her own way she was as unconventional as her brother. She had four passions in her life: painting, Rodin—she modelled for him and they had a long love-affair, cats and later, Catholicism. She pursued all four with an obsessive single-mindedness, whether it was writing to Rodin every day or chasing runaway cats over the wild French countryside for days on end. Towards the end of her life her desire for solitude became overwhelming. She avoided contact with other people and even stopped eating, such was her need to cut herself off from all that she felt extraneous to her spiritual being.

This stripping down to essentials is reflected in her paintings, which are well represented in the book. Whistler noted her "sense of tone" and her painting—mainly single portraits or small landscapes—became increasingly concerned with form and the creation of harmonious colour. She asked Arthur Symons to hang some of her paintings together as singly their "pattern" was not apparent.

The problem of relating such a determinedly unexiting life is that it can become monotonous for the reader. The pattern in her art is delightful, the repetition in Gwen John's life begins to pall. As an artist Gwen John's reputation is steadily increasing but as a study for a biographer her life cannot compare in liveliness with that of the ebullient Augustus. Fortunately, Susan Chitty's prose is eminently readable and flows with the ease of a novel. Her indebtedness to Michael Holroyd's biography of Augustus is apparent in her recording of Gwen John's early life, but she relies for much of her Parisian information on Gwen John's own voluminous correspondence with Rodin. Although she quotes from these letters, she does not do so extensively. Possibly, if she had done so there would have been more revealed of her subject's elusive inner nature. However, that said, Susan Chitty has managed to produce an accomplished portrait of a quiet woman.

'Children Making Soap Bubbles' (1666) by Dirk de Bray—from 'Printmaking in the Age of Rembrandt' by Clifford S. Ackley (Museum of Fine Arts, Boston/Hutchinson, £37.50)

China now

BY COLINA McDOUGAL

China After Mao: Coming Alive
by Roger Garside
André Deutsch, £8.95, 427 pages

The Chinese: Portrait of a People
by John Fraser.
Collins, £7.95, 463 pages.

Shanghai: Revolution and Development in an Asian Metropolis
edited by Christopher Howe. Cambridge University Press, £30, 456 pages.

Sun Yat-sen: Reluctant Revolutionary
by Harold Z. Schiffrin.
Little, Brown, £6.95, 358 pages.

Who's Who in the People's Republic of China
by Wolfgang Bartke. Harvester Press, £50, 729 pages.

This excellent clutch of new books about modern China makes a mini-library on its own. Greater freedom for foreigners and Chinese to mix, since Chairman Mao died, has made the first two possible by providing valuable insights into the thought process of the Chinese.

The third volume, on Shanghai, gives a riveting history of the growth and recent role of this once cosmopolitan city on the Yangtse mudflats, which most usefully complements what Roger Garside and John Fraser say about today's intellectuals.

The biography of Sun Yat-sen, revolutionary of the 'teens and 20s of this century, makes sense of what is, for the average westerner, a confused and little-known period. The Who's Who, which contains over 2,000 biographies, relates (almost) everything you need to know about the protagonists in the Chinese saga over the last three decades. The history of the past 60 years, and the participation of many leading Chinese of today in the great events of those times, is crucial to the understanding of China today.

In the five years since Mao died, China has again taken up the modernisation halted by the radicalism of his years in power.

Five years ago this much might have been predicted. A crystal-gazer who expected Deng Xiaoping's restoration to power after Mao's death could have deduced this effect. What nobody outside China foresaw was the outbreak, after 30 years of socialism, of the new "democracy movement": the expression in posters, unofficial magazines, and even public speeches of a yearning for a freer and better political system which would allow greater choice of leader, more genuine participation by the citizen, and more Chinese contacts with the outside world.

The democracy movement sprang into life in Peking in November 1978, when party leaders behind closed doors were fighting out the first major battle over what Maoist policies to discard. Encouraged by new signs of flexibility, young men and women from Peking and elsewhere started putting up posters on the long wall at Xidan, beside the bus station. Crowds many thousands strong gathered to read them intently. Most were personal, not political. But some—the strongest magnets—took a critical look at China's political system.

The democrats have insisted they were not dissidents. They did not oppose either the Communist Party or the Leadership. They simply wanted the freedom to criticise and the prospect of genuine reform. By and large this seemed to be recognised by the more progres- leaders, but the conventional men of power—especially in the army—were outraged. Their case was strengthened by China's economic mess, which allows little scope for political experiment. Consequently the democracy movement, and indeed a number of new cultural freedoms, have been snuffed out.

The dramatic rise and fall of this movement forms the vital core of both the Garside and Fraser books. The chief value of the two is that they give detailed eyewitness accounts of the tumultuous events at Xidan and the response of the leadership. In Garside's case, particularly, this is filled out with a profound knowledge of the background. Both books are enormously helpful in documenting what actually happened; recording conversations and providing transcripts of posters and printed declarations which elucidate the detailed but non-analytic news stories by journalists in Peking at the time. The blanket of silence which has fallen in the world's Press on the subject since makes these two close looks at the underside of politics—which constantly bear one another out—doubly valuable.

Christopher Howe's collection of papers on this great conurbation, presented at a 1977 conference, usefully draws attention to the pivotal role that this once highly advanced city played and may well play again. Likewise Harold Z. Schiffrin's brisk and readable biography of China's first major revolutionary of this century Sun Yat Sen illuminates the historical background. While these two books lack the immediately of China After Mao: Coming Alive! and they provide stimulating support for the view, that China's problems today are not so much those of trying to modernise through Communism as of modernising at all.

Fiction

Military matters

BY ISOBEL MURRAY

The War Train: A Novel of 1916
by Brown Meggs, Hamish Hamilton, £7.95, 339 pages

By the Green of the Spring
by John Masters, Michael Joseph, £8.95, 599 pages

Exodus Genesis
by John Goldsmith, Sidgwick and Jackson, £6.95, 289 pages

The War Train is a very surprising novel. For a start, I assumed I knew the context of "A Novel of 1916," but I was wrong: the continent is America and the war is a punitive expedition into Mexico, after Pancho Villa. The whole story is told from the point of view of young Cassie McGill, a helper-conductor for Pullman's Palace Car Company. In the absence of more experienced and senior men, Cassie is given responsibility for the train. He must take it, empty, from Lincoln, Nebraska to Fort Meade, South Dakota, where the men and horses are camped, and then, full or even overflowing a little, on the long route to El Paso.

So, like Cassie, we think we know what he has to do, and how soon it must be done, and in general what will happen. But the novel is brilliantly constructed to give and defeat this expectation again and again. Cassie has to cope with some 290 troopers and, to start with, almost as many horses. But it is horribly evident that the rolling stock he has been assigned is woefully inadequate and dangerous for the horses. Cassie attempts to get them better accommodation, and is badly snubbed for his pains. Over the journey in the end some 70 horses die, and their corpses litter the railroad.

Besides officers, men and horses, Cassie has another responsibility: an ultra-comfortable Pullman car known as the Mother Lode, which is taking a millionaire and his party to witness the routing of Villa. Otis Webster's interest is in motorized war transport, which he is determined to test in action against Villa, and he is prepared to bribe everyone concerned to get the train to Mexico before the fun is over.

The details of the journey and Cassie's different tasks are given with a fine authenticity: Brown Meggs writes very well and vividly recreates the expedition, which is based on a real life adventure of his grandfather's. But it is the surprises Cassie encounters on the way, the incidents Brown Meggs invents, that make the book hard to put down.

All in all, a marvellously gripping story.

John Masters is another writer who can be relied on to write good, crisp prose, and the scale of his current effort is gigantic. *By the Green of the Spring* is the final volume of an epic trilogy of the Great War, and it is 600 packed pages long. I did not encounter *Now God Be Thanked* or *Heart of War*; taken as a whole the trilogy is a vast undertaking. Is this in itself good or bad? Neither, I suppose, but I am inclined to resist the logic which says, it's a long book; it was a long war.

It is hard to assess this volume by itself: I only (temporarily) mastered the intricacies of the complex family trees (thoughtfully provided) towards the end of reading it and I cannot know how well it links with its predecessors. Anyone who does undertake the whole trilogy, *Loss of Eden*, must have plenty of reading time.

Many of the characters are memorably presented. There is Guy Rowland, the flying ace, who has a strong friendship with his German opposite number (whom he kills by mistake), and a dread of learning to enjoy killing. There is the tragic situation of John Merritt, searching for his wife Stella, finding her at last a pregnant prostitute and a heroin addict. There is Frank Stratton, who rejects his adulterously pregnant wife and refuses to see his own children, or Lady Helen Durand-Beaulieu, pregnant by her dead lover "Boy" Rowland. Many novelists would find one of these situations enough for a whole volume.

In the end, you like the very idea of vast saga novels or you don't. If you like them, *By the Green of the Spring* is written by a considerable craftsman.

John Goldsmith's *Exodus Genesis*, despite its title, is a less ambitious venture. It is a novel of Denmark in the last war, dealing in particular with one Jewish and one gentile family. When Rosa Abrahamsen falls in love with Valdemar Larsen, they find themselves in a Montague/Capulet situation; the families are old enemies and shipping rivals. But this enmity changes in extremity, when Hitler orders the destruction of Danish Jewry in 1943; the Larsens, like their gentile countrymen, are instrumental in saving the Abrahamsens from the death camps; several thousand Jews are spirited to safety in Sweden.

Combining the basic elements of love story and war story, *Exodus Genesis* is an attractive novel, making the most of its unusual setting and the unique historical rescue it celebrates.

HOW TO SPEND IT

by Lucia van der Post

The wonder of woolies

FOR some years now British knitwear has been one of the great success stories of our fashion industry. Of course, cashmere, Shetland and lambswool and all other classic knits have been sought after by the French, the Italians and the Japanese for years. In the last few years, however, British knitwear has gained an international reputation for the brightness, originality and sheer dazzling charm of its designer knits.

At the height of the designer knit craze there were stories of Texans buying them up by the armful, thinking nothing of paying nearly £100 for a delicate old-world cardigan from Edina & Lena or a zany design from Patricia Roberts.

Our designer knits are still some of the most original in the world with a whole host of small groups of designers turning out an impressive array of new ideas, season after season. However, most of these carry a high price-tag and though most of us might consider buying just one amazing sweater for a special outfit or occasion, few of us can afford to build up a whole wardrobe of them.

This is where the machine-knitted woolly with the hand-made look comes in. Designers like Vanessa Keegan (whose cardigan is shown drawn in the group right) have cleverly sought to fill a gap in the market by producing a small, beautifully thought-out collection of knitwear all of which manages to look special. She has chosen four basic themes (dogs, peacocks, bows and trees) and six base colours (red, black, beige, pale green, pale blue and mid-blue) and offers all these colourways and patterns in two designs of sweater and one cardigan. By restricting the range and the colours and using a mixture of 65 per cent wool and 35 per cent acrylic she has managed to keep the retail price down to about £30 a garment, which for something that looks as individual as her designs do, is very good going.

Sally Muir and Joanna Osborne have been offering very distinctive jumpers and cardigans from their shop-cum-workshop at 517 York Road, Wandsworth, SW18 for some time now. They call their company "Warm & Wonderful" and perhaps so far have achieved most fame with their "black sheep' jumper but the great service they offer is that they will make up jumpers to customers' own specifications.

The "Warm & Wonderful" sweater sketched in our drawing is one of the most elaborate they do, and it is only on sale from Brother Sun, 171, Fulham Road, London SW3. From 517, York Road, they sell hand knits at prices ranging from £45 to £60 and machine knits for between £30 and £64.

Many people will know the name of S. Fisher. It has long been established at 32 Burlington Arcade, London W1, and has recently opened a branch in the new covered market in Covent Garden (No. 12). The company has always specialised in fine classic knits and has been selling very good quality Fairisles for well over 15 years. Now that Fairisle has become so fashionable Jess Grant, the designer for S. Fisher, has taken the classic old patterns and recoloured them to stunning effect. For winter she uses Shetland wool but in the spring there will be a whole collection in cotton. The patterns are all based on the Fairisle pattern of the Spanish Armada Cross (a boat, once upon a time, so history tells us, was shipwrecked alongside the Fairisle and the women all knitted jumpers incorporating the Prince of Spain's emblem—a cross) and still today this pattern has great appeal.

The chief glory, however, of this year's batch of S. Fisher's Fairisles is the colouring — from softest fondant colours through to more rustic combinations of ambers and orchres, they are all quite ravishing to look at. Prices range from £14 for a plain sleeveless Shetland waist coast to £65 for a Fairisle cardigan.

However, the single most welcome innovation this year is the crop of dazzling, glittery knitwear that looks as glamorous by night as any diaphanous silk crepe de chine—a boon to chilly mortals with an active social life. Most desirable of all is perhaps the spangled bronze sweater decorated with shiny "pearls" by the Lumiere team and sketched left in the group above. Lumiere is a young company run by Barbara Kennington and Megumi Ohki who on the whole specialise in a look that is young and zany, yet sophisticated, too.

Finally, there is Artwork—its chief designer is Jane Foster and it has only been going for about four years but is already enormously successful both here and in Italy, Germany and the States while a separate collection goes to Japan.

The Artwork look is bold and eye-catching rather than subtle and though sweaters are its chief claim to glory the company has now started producing a total look which can be seen at 33 St Christopher's Place, London, W.1, where everything from mid-calf Turkish bloomers to toning tights and boots can be bought.

Penny Plain is a Newcastle-upon-Tyne shop (to be found at 7 St Mary's Place) that has rounded up its own group of knitters to provide a collection of individually designed sweaters, all using Shetland wool, at very reasonable prices. Penny Plain offers a full-colour mail order leaflet and designs vary from multi-coloured, almost Smartie-like stripes, to a sweater with a seascape front. Then there are some traditional Fairisle patterns and a lovely, zany zig-zag striped dress. Prices start at £17.50 and go on up to £43.50 for the most expensive design, a mini-sweater dress. Write to Penny Plain sending a stamp for a full-colour catalogue.

Drawings by Anne Morrow

Above, left to right: Lumiere's marvellous soft and dazzling evening sweater. In bronze or blueish grey it has glitter thread knitted throughout, the frilly collar is edged in glitter and shiny "pearls" decorate the front. Just the garment for looking glamorous in chilly surroundings. £110 from Taylor and Hadow, Beauchamp Place, London SW3; Kes, St Christopher's Place, London W1; Judith Taylor of Manchester; Marian Gale of Dublin.

From Brother Sun comes this sweater knitted by the Warm & Wonderful team. The main bulk of the front is knitted to look like a red brick wall with a green plant growing up the front, topped by a bit of blue sky—it all looks much more appealing than it sounds. £45 from Brother Sun, 171 Fulham Road, London SW3.

The machine-knitted cardigan with the hand-made look from Vanessa Keegan. This particular version is in black with a tree in red and green incorporated into the design. One size only, £30 from Harvey Nichols of Knightsbridge, London SW1; Shaws of Beauchamp Place, London SW3; Chic of Hampstead, London NW3; Judith Taylor of Manchester; Chantelle of Southport, Lancs.

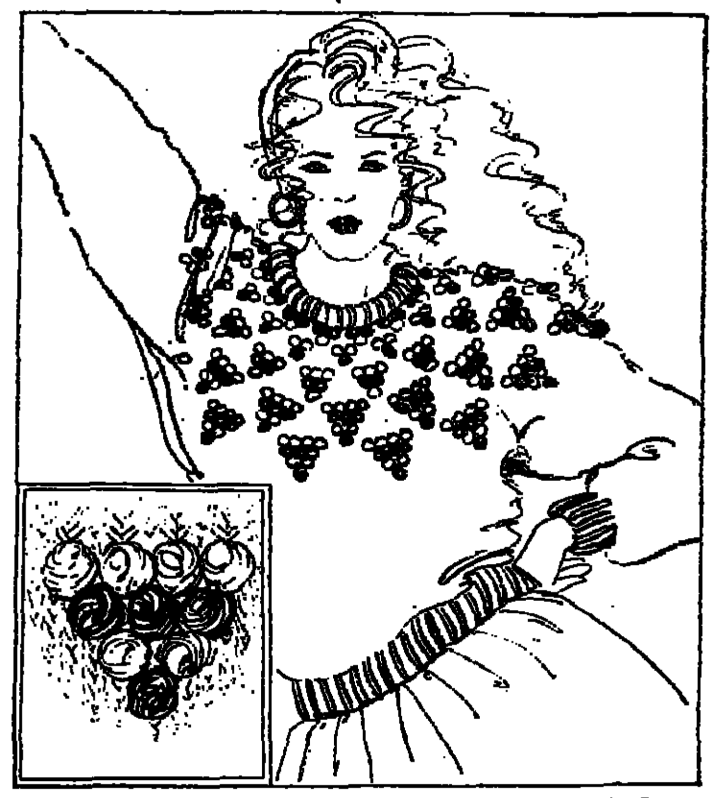
Well known as producers of Fairisles for the last 15 years, S. Fisher has now recoloured its designs. This sleeveless vest with its design of little girls, houses and trees, comes in mouthwatering pink, yellow, and white with a hint of lurex, natural, burgundy and blue. £35 (plus £2 p + p), sizes 34-38, from S. Fisher at 32 Burlington Arcade, W1 and Covent Market, WC2 in London.

ABOVE: Artwork specialises in a rather bold, almost ethnic-type of knitwear and its designer, Jane Foster, calls this the Archery Dress. In grey, navy, rust or teal 100 per cent Aran wool, it has studs and fringing which give it that authentic ethnic look. Here it is shown at mini-dress length (but it could easily be worn belted over trousers) and it can also be bought at ordinary sweater length. The dress is £114, the sweater £91. Available from Artwork at 33 St Christopher's Place, London W1 (p + p £2) and also at Whistles shops at The Market, Covent Garden, London WC2 and Walton Street, London SW3

LEFT: From Penny Plain of 7 St Mary's Place, Barras Bridge, Newcastle-upon-Tyne, comes this pure Shetland Smartie Stripe with matching buttons. Bold and colourful, with stripes of bright red, yellow, blue and black, it comes in sizes 34 ins to 40 ins and costs £24.50 plus £1.50 p + p

ABOVE: For the country house set with all those draughty corridors to cope with, what could be more classic or more warming than a pure cashmere dressing gown? In white, coral, pink or yellow, it is £260, made by Pringle of Scotland for N Peal of Burlington Arcade, London, W1 (p + p inclusive within UK). N. Peal offers alternative ways of keeping warm with its huge cashmere shawls also by Pringle in really expansive, all-embracing sizes—in almost every plain colour you could think of—they are this winter's way to keep warm and yet be fashionable. £175 each (p + p inclusive within UK).

RIGHT: Another of the new breed of frilly and spangled sweaters that are glamorous enough to be worn at almost any evening function. By Arte, in cream, rust or charcoal grey pure angora, trimmed with natural lace, it is £44, sizes 10 to 14. From Arte of 51 Brompton Road, London, SW3, and 12 South Molton Street, London, W1 (also available by mail order from this address, write to Leonard Wiltshire).



Celia Baker

Exclusively for you

THOUGH British knitwear has seldom been more desirable there is one big snag—it has also seldom been more expensive. The chain-stores are still doing a marvellous job in providing plain Shetlands and lambswools (and in particular look out for the marvellous cream, brown or green cotton acrylic cable knit sweaters that Marks & Spencer is currently selling for the unbelievable price of £7.99) but if you want anything with a really distinctive look you would be hard put to find anything at all under £25.

So this week the How To Spend It page is offering a free pattern, designed exclusively for Financial Times readers by Emu Wools. As you can see from the sketch above, the design has an air of an exclusive designer knit about it and yet, for those who have the time and the patience to pick up their knitting needles, it will only cost them £15.84, plus the price of the large stamped addressed envelope—that is all it will cost to receive a free copy of the pattern.

We chose to use Emu's filigree de-luxe wool, which is the first thermal mohair yarn, because it is a marvellous combination of warmth and lightness (being 75 per cent mohair and 25 per cent Polypropylene) and also because it comes in the soft warm colours (16 shades in all) that are the hallmark of this winter. The version Emu Wools knitted up for us to see is knitted in a soft blueish/mauvish base colour (which goes by the name of Blueberry) and the bobbles on the yoke are in colours which are officially named as Foxglove, Nautilus and Bark but which I, perhaps more prosaically, would refer to as crushed raspberry, dark blue and light brown.

The instructions are provided in six sizes, to fit 32 inch to 42 inch bust. The sweater takes 16 balls of wool in the average sizes, which cost 99p per ball. For a free copy of the pattern simply send a large stamped addressed envelope to the Financial Times, 10 Cannon Street, London EC4 (mark the outside of the envelope Knitting Pattern).

According to Emu Wools the pattern is not difficult to do. The most demanding section is the yoke, which involves circular needles. Most reasonably competent knitters could easily cope with it and the average knitting time allowed to finish it would be about 26 hours.

The last of Loot

LOOT HAS been an annual event in the calendar of so many designer/craftsmen, so many jewellers and so many ardent collectors of jewellery and silverware for so many years that it is a great sadness to hear that this year's Loot will be the last.

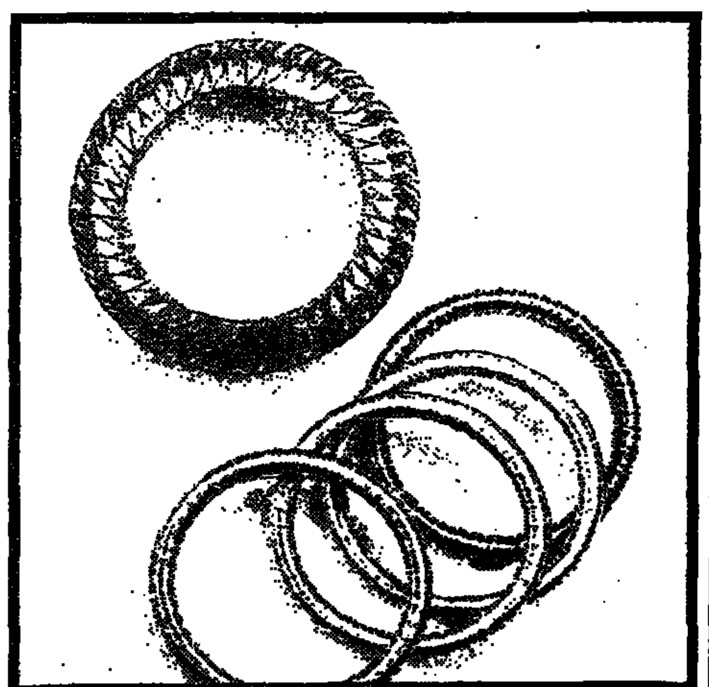
Originally the Goldsmiths' Company started the Loot exhibition as an attempt to bridge the almost unbridegable gap that seemed to exist between the craftsman and his market.

That first Loot, in the exhibition of 1975 held at the Goldsmiths' Hall in Foster Lane, London, EC2, turned out to be a resounding success. In that exhibition, everything on show had to be under £50, and what bargains there were—work by Gerda Flockinger, Jane Allen, Stella Doig, Jocelyn Burton, Graham Crimmins, Stuart Devlin, Robert Welch—all at less than £50. A whole new market for jewellery and silverware had been found.

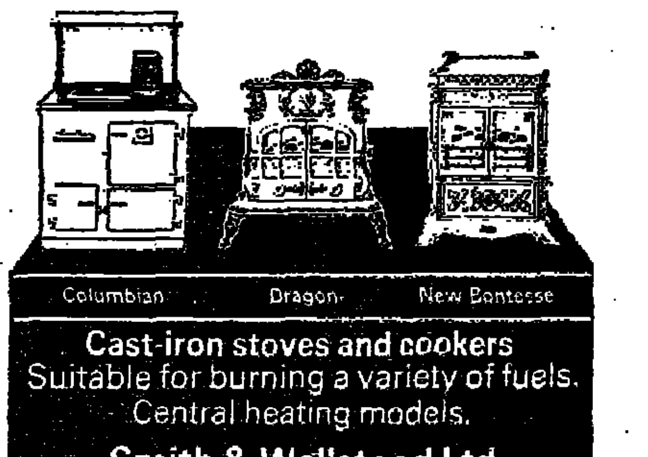
This year's is to be the last in the Loot series (though there will be plenty of other exhibitions featuring the work of jewellers and silversmiths) and it has been timed to capture, hopefully, the great Christmas rush for the present perfect. There is no official price limit for the first time since the exhibition began, but I see from the catalogue that you could buy silver, acrylic and thread earrings from Pauline Marriott for only £10 or you could pay as much as £250 for a necklace in silver, 18 carat gold and pearls by Jenny Straw.

It is the perfect place to hunt for the very special Christmas present so anybody who takes an interest in and cares for modern jewellery and silver design should go along to Loot at the Goldsmiths' Hall sometime between Monday November 2 (when it opens) and Saturday November 21, when it closes. Admission is free from 10.30 am to 5 pm daily, except Sundays.

A bold and striking feather neckless in anodised niobium and titanium for £250 by Clarissa



A set of wooden and plastic bangles by Louise Slater —the set of five are £18



ARTS

War and peace

BY B. A. YOUNG

Royce Ryton has quit the Royal Family for the moment, to turn his attention to politics. Suez, on Radio 4 last Saturday, reduces Sir Anthony Eden's campaign in defence of the *Suez*, on Radio 4 last Saturday, Eden in action. It is true that as a military expedition it did not rate very high, either morally or militarily. Bernard Fergusson, then a brigadier in charge of the Press correspondents among other things, told me that one day he went to see General Stockwell, the GOC, for a briefing on what to tell them. According to his account General Stockwell, lying on a sofa with a cigar in one hand and a glass of champagne in the other, said, "Tell them about the appalling discomforts of the campaign." Bernard was a comedian and probably exaggerated.

Mr Ryton's play doesn't deal with the campaign but with Eden's determination to have it. Eden, as Foreign Secretary, grew to believe that Nasser was going to be another Hitler. As Prime Minister, he resolved to get rid of him. Nasser conveniently nationalised the Suez Canal. "We must hit him now and hit him hard," said Eden. "What do we do?" Selwyn Lloyd asked him. "Invade!"

Mr Ryton has done his prep. but he is mostly concerned with his picture of Eden, growing more and more irascible as the trouble with his bile-duct pained him more and more. I was in the Press Gallery in 1954 and heard him often, but never so ill-tempered as Mr Ryton makes him. Behind the scenes perhaps he lost his temper more easily; in the House he sounded like a cross nanny. "The Honorable Gentleman might at least pay attention when the *Foreign Secretary* is speaking." Peter Barkworth knows better than to give an imitation of him, but he makes the right sort of sound. I recall particularly the way Eden would say "remumbah" for remember. Mr Barkworth got that precisely.

The play was very anti-Eden. I suppose all of us except the hard-line Tories were. We thought he was dotty. So, according to Mr Ryton, did some of the Tories, but they kept their judgment to themselves. As the Earl of Avon, in a fictional interview that bracketed the play at each end, Eden reckoned Suez his greatest triumph.

For peace we turn to George Gissing. Radio 3 is giving us *The Private Papers of Henry Ryecroft* in four parts. They contain the quintessence of the peaceful life, and it would be good to think that they actually represent any part of Gissing's existence—a country cottage on a 20-year lease, with nothing to do in it but read favourite books, or go for walks and collect wildflowers and watch birds. Even Henry Ryecroft's recollections are of happiness. Gissing can't have enjoyed anything so beautiful. I rather doubt if anyone could; it's really too good to be true. Ronald Pickup reads it attractively without trying to create an artificial character.

More truthful observation comes from Henry James, whose account of his visit to Derby Day in 1877 was read by Marvin Kane. James was a comparative newcomer both to our country and to literature, and wanted to learn how we lived. I am happy to say that he thought kindly of us. "The people that of all peoples is habitually the most governed by decencies, proprieties, rigidities of conduct, was for one happy day unbuttoning its respectable strait-jacket and affirming its large and simple sense of the joy of life," he wrote.

He wasn't always quite so Jamesian as that. He described the bookies as "gentlemen in pairs, mounted on stools, habited in fantastic sporting garments, offering bets to whomsoever listed." Imagine them, though, if some gay party from Waterbath had unbuttoned their strait-jackets at Epsom. "'Four at any rate to one on the favourite,' he wonderfully shouted."

39 and Counting has pursued its inexplicable course twice a week until last Wednesday. What an extraordinary way to employ such talented players as Dinsdale Landen, Hannah Gordon and Michael Hordern! I'm sure it must all have been a secret code of some kind, perhaps warning the Spaniards and the Maltese of the coming cancellation of their programmes on the World Service.

Coutts aids National Gallery

Coutts and Company, the bankers, is sponsoring a new publication from the National Gallery *100 Great Paintings, Duccio to Picasso*. Thanks to a loan on generous terms from Coutts, the Gallery's bank since 1884, the lavishly illustrated book is available for £5.95, way below its market price.

Wexfordians provide the choral support for Marie Slorach in 'The Jewels of the Madonna'

Autumn chorus at Wexford

BY ANTONY THORNCROFT

Arts festivals often thrive best when on the surface they seem irrational. The Savonlinna festival among the lakes of northern Finland, and the Guanajuato festival in a remote baroque town in the foothills of the Sierra Madre mountains of Mexico are cases in point: geographically remote but artistically rewarding. And so is the Wexford Opera Festival currently under way on the south-east shores of Ireland.

By tradition the Wexford Festival was an incidental creation of Compton Mackenzie who visited the small town clutching some gramophone records to lecture to the local musical society. "What is the point," he was told, "of listening to opera singers when there is never the chance of seeing an opera." His direct advice was to start an opera festival and for 30 years now celebrated international singers have been prepared to find out where Wexford is for much-reduced fees, and with the added burden of learning new roles.

For one of the earliest traditions at Wexford is to present rare, sometimes totally forgotten, operas. This year's trio of works perfectly personifies the tradition—*Zaide*, a dry run by Mozart for *Die Entfuhrung* discovered among his manuscripts after his death and basically just a collection of arias; *The Jewels of the Madonna* by Wolf-Ferrari, with an intermezzo high among "Your Hundred Best Tunes," but a work with hardly a professional performance to its name since its première in 1911; and *King for a Day*, Verdi's first comic opera, badly received in 1840 and only coming into its own in recent years. (The operas will be reviewed on this page by Rodney Milnes.)

The extraordinary thing is that this diet of the unknown and the unpredictable has captured the imagination of the townsfolk, who enthusiastically join in the productions. In *The Jewels of the Madonna* there were up to a hundred people on stage, including a few four-year-old Wexfordians in the religious procession of an opera about sacrilege which attracted almost as many churchmen, including Cardinal O'Fiaich, primate of all Ireland, in the audience as filled the stage.

The three dress rehearsals are packed by the back-stage workers and their families (which means most of Wexford) and their refined operatic taste was sharp enough to inform any visitor that *The Jewels of the Madonna* was an over-the-top, pleasantly putrid curiosity; *Zaide* was a bit of static bore; and *King for a Day* was a parody of all that is best in 19th century Italian opera.

The attraction of operatic rarities in this quaint seaside resort brings in trainloads from Dublin; a loyal band from the UK; and some visitors from the U.S. and Europe. In fact ticket sales add up to £70,000, half the cost of staging the three operas although operating the theatre throughout the year brings the total expenditure to £200,000. The Irish Arts Council and commercial sponsors like Guinness, make up the difference, and the financial security of the Festival seems assured. It s a pity that the theatre is tucked away in a back street and a perfect Victorian auditorium—small stage and high stepped seating in which the Crumbles troupe would feel immediately at home—cannot be filled more often during the year, but in October it becomes the heart of the town.

Next year running the show will be the responsibility of Elaine Padmore who takes over from Adrian Slack as artistic director. She is currently head of opera productions on BBC Radio and responsible for around 200 broadcasts a year. She will spend October in Wexford, plus periodic visits, and, although too new to the job to have definite thoughts about the future productions, she reckons that the concept of rare operas is ideal.

She makes the point that there has been an absence of the Russians, in particular Chaikovsky and Rimsky-Korsakov. There is also a feeling that the bias towards Italian opera in the Wexford repertoire should occasionally be leavened by some Spanish works. When the festival has ventured into modern works, like *The Turn of the Screw* and last year *Of Mice and Men* the success over initial doubts suggests that there should be more innovation here too.

The great achievement of Wexford in marrying the Festival to the town. The fringe this year was not very exciting and its timings invariably clash with the operas but in the main residents and tourists can get together with no feeling of exploitation

Opera returns to Pisa

BY WILLIAM WEAVER

In 1876, when Puccini was 18-years-old he saw his first opera, Verdi's *Aida*, and—according to his reminiscences in later life—it was a determinant factor in his choice of the theatre as his future career. To see that *Aida* he had walked with some friends from Lucca to Pisa, 19 miles away, and had hidden in the gallery of the Teatro Verdi hours before curtain time, since he lacked the price of a ticket.

So the Teatro Verdi of Pisa has its place assured in the history of Italian opera. The house enjoyed other historic moments, largely associated with the presence of Mascagni (a native of nearby Leghorn) and of Titta Ruffo (born in Pisa in 1877). Both these associations are amply illustrated by the objects and documents on display in the museum of the theater, off the upper foyer. And the story will be told more completely in the history of the house now in preparation.

The history, like the physical restoration of the Verdi, s a part of its recent renewal. In the years after the war, Pisa's opera house—following a pattern to be found throughout the Italian provinces—went into a decline; but two years ago, an alert local administration decided to bring the Teatro Verdi back to life; and the current brief season is an index of its mounting success. The three operas presented include Verdi's *I due Foscari* (a production imported from Venice), still something of a rarity here, and a *Lucia* staged and designed by Pierluigi Samaritani. The opening production, currently running is another rarity, Puccini's *La rondine*.

Originally conceived as an operetta for Vienna, *La rondine* is the least performed, the most problematical of Puccini's mature works (written during the first World War, it is more or less contemporary with *Il trittico*); and its unpopularity probably stems from its curiously ambiguous character. Though Puccini decided fairly early on to turn it into a proper opera, some of its original nature remained. The score is deceptively light: it is not easy. And the waltzes that appear are marked by a characteristic Puccinian wistfulness that is miles away from Lehar. If played too comically, the work goes to pieces; but if the first two acts are made over-dramatic, their comic elements seem instrusive, irritating.

In Pisa, the conductor Massimo De Bernart caught just the right tone. He drew seductive playing from the mostly young Orchestra Regionale Toscana; he tactfully pointed out the many original, engaging orchestral details (the bit of chinoiserie, for example, during a fortune-telling scene in Act One); but did not lean on them.

The sets and costumes of Ulisse Santicchi and the generally discreet staging of Giulio Chazalettes showed the same perception. Magda's salon—the first scene—was suitably opulent, almost oppressive; the Bal Bullier of Act Two struck the correct note of tawdry gaiety; and for Act Three, the scene of Magda's separation from her lover, the set was a hotel veranda, gray, abstract, as the duet itself has an abstract quality, imposed somehow from outside and not by the logic of the preceding events of the story.

The libretto, in fact, is illogical, but not bad; and a convinced performance can make it work. Bernart came close, and his singers also did their best. Unfortunately, the soprano Gabriella Cegolea is not really right for the part of Magda; the voice is heavy, at times, unwieldy (the clean attacks of the first act arias gave her trouble, though she manoeuvred them). She looked well, however, and was heard to better advantage in the more dramatic moments of Acts Two and Three. Though Ruggero is the hero, he does not have much to do until the final duet. Vincenzo Bello acquitted himself well: sturdy, somewhat stiff, he does not cut a heroic figure, but he was plausible as the young provincial, ill-at-ease, in *mondaine* Paris.

Heartbreak House

BY B. A. YOUNG

The weaknesses in *Heartbreak House* are clear enough after 65 years' exposure, no point now in looking for fresh subtleties. Shaw seems to have had only a vague idea of how to entertain the bizarre house-party he assembled in Captain Shotover's bizarre house. Since the irrelevant burglar, and hence the Zeppelin raid in the last act, when the conversation has all been about politics, and there is a member of the government present, yet no one has even mentioned the war. However, as long as the characters are roundly played and the contentious talk handled with conviction—we needn't go as far as belief—the play will follow its crooked course happily enough.

I have always thought of Shotover as a more commanding figure than the half-poetic octogenarian of Alfred Burke, whose legs are beginning to give way. Mr Burke present some of his stronger points in a regretful mezzo-forte, but it works well enough in an unexpected way. It is the girls' evening, however, as it should be.

Lynsey Baxter's Ellie is more of a witch's daughter than either Eleanor Bron's Hesione or Diane Fletcher's Lady Utterword. She begins quite childlike, so that her defiance in standing up to the unwelcoming household might seem mere impertinence. But she stays externally just as childlike all the evening, while she is uttering some of the strongest lines in the play. This is an outstanding performance. Miss Bron and Miss Fletcher exercise their powers in contrasting ways, the one through a serpentine charm that is never as sentimental as her lines suggest, the other in an English country-house manner appropriate to a woman who believes, with Dean Swift, that the horse is a creature capable of keeping the human race in its place.

Norman Eshley's Hector wears his conceit as naturally as the good looks he decorates with his Cupid's bow-moustache. I loved the way he adjusted the shoulders of his jacket before his sword-play. As Randall, Christopher Good can't keep up with Hector in the arrogance stakes, but he is strong on elegance, though unable to conceal the fact that Randall is just another buckshee character.

There is an unusual strain of confidence in Peter Howell's Mazzini Dunn, a character whose innate decency subjugates him to Mangan's relentless pursuit of power; I liked this performance very much. Nigel Stock, for all his square figure and bullet head, gives Mangan too little confidence in his old boldness, even sometimes apologising for it.

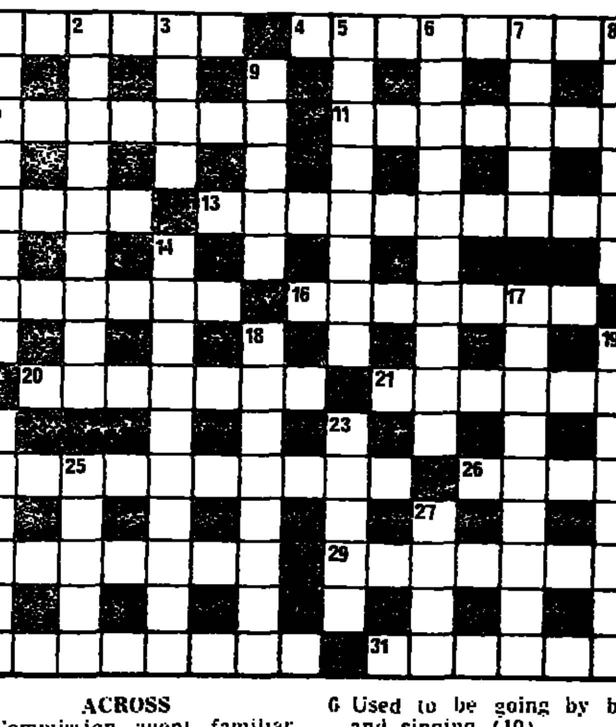
F.T. CROSSWORD PUZZLE No. 4,712

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



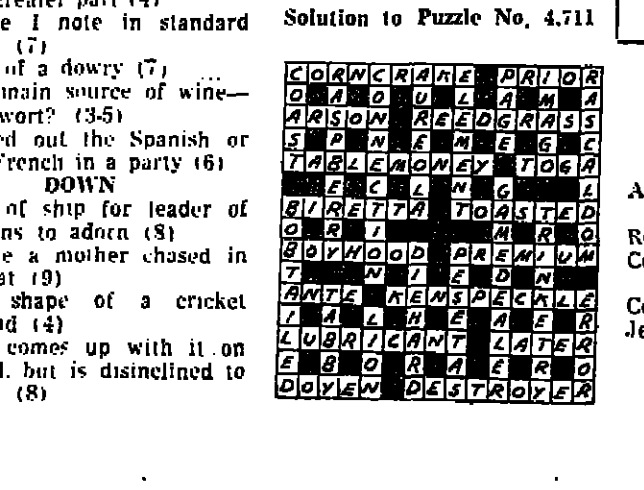
ACROSS

1 Commission agent familiar to mathematicians (6)
4 Where fish are bred to cook with water (8)
10 Soldiers discover the struggle to get on (3, 4)
11 Curly locks' seat or a shock-absorber (7)
12 Mother gets a penny for gas (4)
13 Held back the remainder before there was wet weather (10)
15 Place of entertainment but to George Smiley it was intriguing (6)
16 Bogey or goblin to which ye must return (7)
20 Instruct to breathe (7)
21 Grab a bit of music (6)
24 Wittily - printed telegram and it's difficult to get over it (6-4)
26 Shakespearean service for the greater part (4)
28 Grade I note in standard work (7)
29 Part of a dowry (7)
30 The main source of wine—glasswort? (3-5)
31 Picked out the Spanish or the French in a party (6)

DOWN

1 Part of ship for leader of ensigns to adorn (8)
2 Feline a mother chased in a boat (9)
3 The shape of a cricket ground (4)
5 Tom comes up with it on vessel, but is disinclined to speak (8)
6 Used to be going by boat and singing (10)
7 Turned up no particle of a vegetable (5)
8 Lay bare in Dundee outrageously (6)
9 Number observed about five (5)
14 11 Across or device to cut down interference (10)
17 Deport more on turn of tide (9)
18 Two articles of headgear seen on top of neck (5-3)
19 Type of tree that's spreading (8)
22 Counter at which sailor and airman join you and me (6)
23 Excursion to the east that is claptrap (5)
25 Part of a lariat and the whole of it (5)
27 Eagle that's ne'er changed (4)

Solution to Puzzle No. 4,711



TV/Radio

BBC 1

† Indicates programme in black and white

9.05 am Better Bandminton. 9.30 Swap Shop. 12.12 pm Weather.
12.15 GRANDSTAND: randstan
12.30 Grandstand: Football Focus (12.20); Racing from Wetherby (12.50, 1.20, 1.50); Darts (1.10, 1.40, 2.30) Winmau British Gold Cup: Snooker (2.10, 3.00) State Express World Team Classic; Rugby League (3.55) The John Player Trophy Widnes v Carlisle; 3.45 Half-time football scores, reports and news: 4.35 Final Score.
5.10 Kung Fu
6.00 News
6.10 Sport/Regional News
6.15 Larry Grayson's Generation Game
7.10 Juliet Bravo
8.00 Mike Yarwood in Persons
8.30 Flamingo Road
9.20 News and Sport
9.35 Parkinson
10.35 Match of the Day
11.35 House Calls

BBC 1 VARIATIONS

Cymru/Wales—8.50-9.30 am Crackerjack. 6.10-6.15 pm Sports News Wales.

Scotland—4.55-5.10 pm Scoreboard (1). 6.10-6.15 Scoreboard (2). 10.35-11.35 Sportscene from Scotland. Scotland. 12.00 News and Weather for Scotland.

Northern Ireland — 3.00-3.55 pm Rallycross from Boyd's Quarry, Mallusk (opt-out from Grandstand). 5.00-5.10 Scoreboard. 6.10-6.15 Northern Ireland News. 12.00 News and Weather for Northern Ireland.

England—6.10-6.15 pm (South-West only) Saturday Spotlight

BBC 2

10.10-11.25 am Open University.
†3.10 pm Saturday Cinema: "The Ship That Died Of Shame" starring Richard Attenborough and George Baker
4.40 Snooker: State Express World Team Classic
7.10 News and Sport
7.25 Did You See . . .?
8.00 The Shogun Inheritance
8.40 Snooker
10.10 Sutherland and Pavarotti in Recital
11.30 News on 2
11.35 Snooker
†12.00-1.35 am Midnight Movie: "Flesh and Fantasy" starring Charles Boyer, Edward G. Robinson and Barbara Stanwyck

LONDON

8.35 am Sesame Street. 9.35 Joe 90. 10.00 Clapperboard. 10.30 Tiswas
12.15 pm World of Sport: 12.20 On the Ball; 12.45 Athletics—The New York Marathon; 1.15 News; 1.20 The ITV Six from Newmarket and Kempton; 3.00 Baseball—The World Series: New York Yankees v Los Angeles Dodgers: 3.45 Half-time Soccer News and Reports; 4.00 Wrestling: 4.50 Results
5.05 Worzel Gummidge
5.35 News
5.40 The Pyramid Game
6.10 Game for a Laugh
7.05 Punchlines
7.40 Vegas
8.40 The Stanley Baxter Series
9.10 News
9.25 "Hard Contract" starring James Coburn and Lee Remick
11.20 Johnny Carson's Tonight Show
12.05 am Police Surgeon
12.35 Close. Personal Choice with Lord Ted Willis

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Sesame Street. 12.05 am The Amazing Years of Cinema. 12.35 At the End of the Day

ATV

9.10 am Paint Along with Nancy. 9.35 Welcome Back, Kotter. 11.20 pm Portrait of a Legend, hosted by James Darren whose guest is Andy Williams.

BORDER

9.10 am Paint Along with Nancy. 9.35 The Flying Kiwi. 9.25 pm Film "Bullitt"

CHANNEL

7.40 pm Charlie's Angels. 9.25 Feature Film "Bullitt." 11.25 Hammer House of Horror

GRAMPIAN

9.10 am Joe 90. 9.35 A Iomadh Dutheich. 7.40 pm Hawaii Five-O. 9.25 "Bullitt," starring Steve McQueen, Jacqueline Bisset, Robert Vaughn and Robert Duvall. 11.30 Reflections. 11.35 Curling—highlights from the Ayr International Curling Championship

GRANADA

9.35 am Joe 90. 7.40 pm The Streets of San Francisco. 9.25 The Big Film "Bullitt," starring Steve McQueen and Jacqueline Bisset. 11.30 Star Parade. 12.30 am The Hunted

HTV

9.10 am Target Bowls. 9.35 The Further Adventures of Oliver Twist. 12.13 pm HTV News. 5.39 HTV News. 7.40 Hawaii Five-O. 11.20 Lou Grant. HTV Cymru/Wales—As HTV West except, 5.05-5.25 pm Ras Sywar

SCOTTISH

9.10 am Friends of my Friends. 9.35 A Iomadh Duthaich. 9.25 pm "Bullitt," starring Steve McQueen, Robert Vaughan and Jacqueline Bisset. 11.30 Late Call. 11.35 Curling.

SOUTHERN

9.00 am Thunderbirds. 9.57 Regional Weather Forecast. 7.40 pm Lou Grant. 9.25 "Bullitt," starring Steve McQueen. 11.25 Southern News. 11.30 Paris.

TYNE TEES

9.00 Cartoon Time. 9.10 Moby Dick. 9.40 Thunderbirds. 12.13 pm North East News. 5.40 North East News. 7.40 The Streets of San Francisco. 9.25 "The Anderson Tapes," starring Sean Connery, Dyan Cannon and Martin Balsam. 11.15 The Monte Carlo Show. 12.15 am Three's Company.

ULSTER

1.18 pm Lunchtime News. 5.00 Sports Results. 5.38 Ulster News. 7.40 The Incredible Hulk. 9.24 Ulster Weather. 9.25 Saturday Cinema: "Bullitt," starring Steve McQueen, Robert Vaughan and Jacqueline Bisset. 11.25 Bedtime

WESTWARD

9.25 am Look and See. 9.30 Stingray. 9.55 Gus Honeybun's Birthdays. 12.12 pm Westward News. 5.41 Westward News. 7.40 Charlie's Angels. 9.25 Feature Film: "Bullitt," starring Robert Vaughan and Steve McQueen. 11.25 Hammer House of Horror. 12.25 am Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 Mumbly. 9.10 Chips. 9.25 pm "Bullitt," starring Steve McQueen, Jacqueline Bisset, Robert Vaughan and Robert Duvall. 11.25 Hammer House of Horror.

RADIO 1

(S) Stereophonic broadcast
† Medium wave

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn. 10.00 Peter Powell. 12.00 My Top 12. 1.00 pm Andrian Justo (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Visitors' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Tony Brandon with The Saturday Early Show (S). 7.30 David Jacobs (S). 8.02 Racing Bulletin. 9.30 Steve Jones' Open House (S). 11.00 The Kenny Everett Show (S). 1.00 pm The News Huddlines with Roy Hud. 1.30 Sport On 2: Rugby Union: The Australians v Wales. 6: Football: second-half commentary on the top game of the day at 3.55, plus news of the other matches; Racing from Newmarket at 1.45, 2.15 and 2.45; 5.00 Classified Football Results; 5.45 Classified Racing; 5.50 Latecomers' Football check. 6.00 Country Style. 7.00 Jazz Score. 7.30 Big Band Special with the Radio Big Band (S). 8.00 Country Greats in Concert (S). 10.00 Nordring 81 (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S)

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S). 12.15 pm Bandstand (S). 1.00 News. 1.05 Early Music Forum (S). 2.00 Play it Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Schubert Violin Sonatas. 7.00 Ascanio in Alba, opera in two acts by Mozart (sung in Italian) (S). 8.25 Interval Reading. 8.35 "Ascanio in Alba," Act 2. 10.00 Various Stages. 10.45 Schubert Violin Sonatinas. 11.00 News. 11.05-11.15 Mozart (S).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, Programme News. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather, Programme News. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife Listeners' questions. 2.30 Thirty-minute Theatre (S). 3.00 Medicine Now. 3.30 Profile. 3.50 Enquire Within (S). 4.00 Cat On The Car. 4.30 Does He Take Sugar? 5.00 People and Places. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, Programme News. 6.00 News. 6.15 Desert Island Discs (s). 6.55 Stop The Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Hallowe'en at Hagley. 11.00 Lighten Our Darkness. 11.15 Rags to Riches. 11.45 2,600,000 Green Bottles. 12.00 News.

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Westminster at Work. 9.00 On the Rates. 9.30 Openings. 10.02 All That Jazz (Music by Billie Holiday and Count Basie). 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough. 3.30 Stuart Colman's Custom Car Show. 5.00 Guideline. 5.30 Quest. 6.00-5.00 am Join Radio 2.

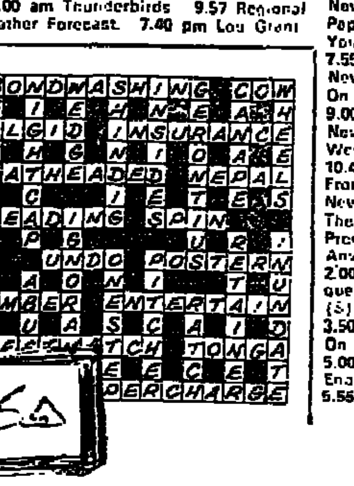
7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Tommy Boyd. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allan. 6.00 LBC Reports with Des Fahy. 7.00 Geet Mala. 8.00 Network: "Beasties and Bogles" (The topic of this week's programme is "Hallowe'en"). 9.00 LBC Special with Laurence Spicer (multiple sclerosis). 10.00 Nightline. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 9.00 Countdown with Peter Young. 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards's Soul Spectrum. 8.00 The Sounds of a City. 9.00 Capital Re-Cap with David Castell. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special

SOLUTION AND WINNERS OF PUZZLE No. 4,706

Mr I. Mehlsen, 75 Randolph Avenue, London, W9.
Mr J. K. Wylie, 24 Hillhead Road, Ballycarry, Carrickfergus, Co. Antrim, Northern Ireland.
Mr E. L. Colbeck-Welch, La Cote au Palier, St Martin, Jersey, Channel Islands.



هكذا من الأصل

TV Ratings w/e Oct. 25

UK TOP TENS

1. To The Manor Born †; 2. The Paul Daniels Magic Show; 3. Mastermind; 4. Juliet Bravo; 5. Bergerac; 6. Tenko; 7. Blankety Blank; 8. Dallas; 9. Top Of The Pops; 10. Larry Grayson's Generation Game.

ITV

1. Coronation Street (Mon) (Gran); 2. Coronation Street (Wed) (Gran); 3. This Is Your Life (Thames); 4. The Wild Geese (ITV); 5. Never The Twain (Thames); 6. Crossroads (Wed) (ATV); 7. Benny Hill (Thames); 8. That's My Boy (Yorks); 9. Bullseye (ATV); 10. Starburst (ATV).

BBC-2

1. Des O'Connor Tonight; 2. A Kick Up The Eighties; 3. The Borgias; 4. M.A.S.H.; 5. Burt Lancaster in Conversation Piece; 6. Last Of The Summer Repeats: Not The Nine O'Clock News; 7. International Snooker (Sun 20.17); 8. International Snooker (Sat); 9. International Tennis (Sun); 10 Russell Harty (Tue).

Figures prepared by Audits of Great Britain for The Broadcasters' Audience Research Board (BARB).

U.S. TOP TEN (Nielsen ratings)

1	World Series Game 1	(ABC)	29.9
2	World Series Game 3	(ABC)	29.0
3	World Series Game 2	(ABC)	28.8
4	Dallas	(BCS)	26.1
5	Jeffersons	(CBS)	23.9
6	Valley Of The Dolls (pt 1)	(CBS)	23.7
6	Dukes Of Hazzard	(CBS)	23.7
8	60 Minutes	(CBS)	23.4
9	Alice	(CBS)	22.7
10	Love Boat	(ABC)	22.5

CHESS SOLUTIONS

Solution to Position No. 395

Black draws by 1 . . . R (N7)-B7 ch; 2 K-K4, P-R8=Q! 3 RxQ, R-QR7; 4 R-Q1, R (R7)-Q7! and Black continues to oppose rooks to stop White's rook returning to the eighth rank.

Solution to Problem No. 395

1 R-Q5 (threat 2 N-N5), BxR; 2 N-K5, or if BxN; 2 Q-KN8, or if N-B2; 2 N(Q7)-B6, or if KxR; 2 N-N6, or if K-B2; 2 N-K5.

COLLECTING

Tin soldiers

BY JUNE FIELD

A traitor to his country's laws
Of untold woes the unhappy cause—
O, friends! for one brief moment pause
To pity the deserter.

Victorian print *The Deserter*. THE PRINT mentioned above — *provenance* a London junk shop — is one of the extraordinarily varied accompaniments to an amazing collection of toy soldiers belonging to American publisher Malcolm Forbes. This is an army in miniature of over 70,000 warriors, worth $1m, "billeted" in the splendour of a dazzling white palace in Mendoub, near the Casbah in Tangier, Morocco, overlooking the Rock of Gibraltar.

Rich green carpets from Rabat cover the floor, banquettes which line the walls are clad in handwoven fabrics from Fes; there are huge brass tables from Marrakesh, brass-mounted carved Chinese elephants and the vast salon is tiled in a multi-coloured mosaic of more than 1,000 pieces to the square yard.

The full story of the dramatic Forbes Magazine Museum of Military Miniatures is told in Peter Johnson's evocative book *Toy Armies* (Batsford £9.95) launched this week both at the 16th century Old Battersea House on the Thames in London (restored at considerable expense by the Forbes organisation), as well as at the Sultan's Palace in Tangier, where a large new wing was opened.

The book brings to life the collection started by Mr Forbes with "a box of worse-for-wear U.S. First World War doughboys and another of sailors," which he bid for at auction. It embraces all sorts of soldiers from the early German "flats" to modern models correct in every detail, as well as the 19th and 20th century solids and semi-solids by makers such as Heyde and Mignot, plus thousands of stalwart hollow-cast soldiers by Britains (William Britain).

There is a room in the Forbes Museum where time stands permanently still at four o'clock in the afternoon of December 5 1757. The bayonets of the Prussian third battalion of the "Garde" have smashed through the doorway of the village church of Leuthen, led by Captain Wichard Joachim von Moellendorf, unscathed from the aim of nine Austrian muskets.

"The number is important," insists *Peter Johnson*, writer, antique dealer, publicity consultant to Phillips the auctioneers, and curator, with his wife Anne, of the Forbes Museum. "That is what history says, and that is how history is shown in miniature." The Battle of Leuthen has the full noise treatment, too, the crash of artillery, the rattle of musketry, the shouts of the men and whinnying horses are all on tape. The Johnsons set up the museum for Mr Forbes in 1978 (they met when he came to their little shop in London's Antiquarius Market), and since then they have created a number of these dioramas, locating many of the pieces.

It was William Britain, 1826-1906, who revolutionised the industry around 1893 by inventing a process to produce hollow-cast toy soldiers.

And a point to remember is that the soldiers are neither tin nor lead. Peter Johnson says: "Usually they are made of tin-lead alloy, easy to cast.

The emergence of the tin flat from a toy into a collector's item began towards the end of the 19th century when adult enthusiasts started to meet to play soldiers, and an affective description of how they were made comes in Ian Mackenzie's *Collecting Old Toy Soldiers* (Batsford 1975). "All of these figures, and their successors to the present day, were cast in moulds consisting of two flat pieces of slate with extremely smooth inner surfaces. The two sides of a figure were engraved one on each piece and precisely opposite each other.

The collectors' market is buoyant, very strong, the quality of pieces coming up for sale improving. Early Britains in good condition and anything to do with the Boer War of 1899-1902 are particularly in demand, says Mr David Borthwick, Phillips' toy and model soldier specialists. "Mounted men of the Imperial Yeomanry can fetch £180 upwards and there has been a dramatic emergence of Richard Courtney knights made in the 1930s to 1950s. A tiny figure of Sir William Seagrave on horseback went for £200 last month."

The condition of pieces in auction is rated M—mint figures apparently never taken out of mint original boxes, E—excellent figures with no apparent paint chipping or defects, G—good figures with a minimum of scratches, F—with an acceptable amount of paint damage and P for a poor box, likely to be split or torn. S.d means slight damage, a small part such as helmet spike, plume, bayonet, tail or lower horse's leg is missing. And you need to watch out for supply teams and waggons which do not match, or a military band where the basshorn player could be missing.

Major enthusiasts are said to be mainly middle-class professional men, particularly lawyers and solicitors, who find it a satisfying and rewarding hobby. And the remarkable collection of nearly 17,000 lead soldiers made by the late Len Richards, Barking, Essex, bank clerk, founder member of the British Model Soldier Society, made record figures in a two-day sale at Phillips in August. A three-inch high figure of a British Camel Corps trooper which cost 2d in 1910, made £260, and a New York collector paid a staggering £1,400 for a very rare Britains 12-man band of the Life Guards.

● The book, Peter Johnson's *Toy Armies*, £9.95 from bookshops, or by post £11 from The Lead Soldier, Antiquarius, 181, King's Road, SW3: catalogue of the "Lead Soldiers and Figures" sale, Wednesday November 4, and leaflet on storage conditions, £1 including postage from Mr Borthwick, Collectors' Centre, Phillips, Blenheim Street, London, W1.

"Flats" by Ochel, of Aztec and conquistador in the Forbes Magazine Museum of Military Miniatures, Palais Mendaub, Tangier, illustrated in "Toy Armies" by Peter Johnson, published this week by Batsford, £9.95

A devilish wedge

To: Dick Taylor,
Editor, Golf World,
North Carolina.
DEAR DICK,

Thanks. You asked me, when you handed over the club a year ago, to let you know how I got on with it and this I now propose to do.

Forgive me if I go on at some length. There are matters in this world that cannot be lightly or flippantly, set aside, and I would submit that a sand wedge that has sold its soul, or flogged it's flange, to the Devil, is such a case.

Sometime very soon I propose to help that club keep its Mephistophelean deal by dispatching it to you-know-where. The only reason I have not yet done so is the thought that you might enjoy making the odd suggestion as to the manner of its demise.

You will remember, I'm sure, giving me the club. I had just bought, in your hometown of Pinehurst, North Carolina, a set of irons, minus the sand wedge. A chance conversation on the subject led to your diffident offer of just such an instrument, discarded because you had been "unable to make it work."

My enthusiastic acceptance was based on the then certain knowledge that there is no such thing as a recalcitrant wedge. It's a tool of the trade, no more.

I proceeded to demonstrate what I meant in a midnight, whisky sodden chipping contest to a hole in a large piece of board in the hotel housing the Great Britain and Ireland Eisenhower Trophy team. Using my new wedge I not only beat Ian Hutcheon and Rodney Foster, I also won the tournament and the pot of $100.

That success allayed the suspicions that had been aroused when I came round to collect the wedge. I was prepared for it not being in your bag, or even not under the stairs. But to be taken outside and be told that we should go and look for something nasty in the woodshed and then finding the wedge propped up against the wall of the woodshed began to ring the faintest of alarm bells.

I did not believe that you were, I think, "the fourth" owner of the wedge and that the previous three were now either certifiable, or certified. It was obvious American hyperbole and I gave it short shrift. Silly me.

You will remember that when we played, at the lovely Pine Needles, I hit my tee shot at the first short hole into the bunker at the back and left of the green. My first shot with the new wedge came out to three feet and spun back to two. So much for Satanic sand wedges. A good workman never blames his tools, and I was that workman.

I realise now that the wedge was merely biding its time. Lulling me, as the soccer men say, into a sense of security when they should be saying a false sense of security.

No sooner was I back in England than the wedge began to exert itself. Slowly, insidiously, but certainly.

I am not going to bore you for long with the kind of details you would, in any case, find distressingly familiar. How, at Tewkesbury Park, shortly after my return, I hit a right angled shank 40 yards and lost a practice ball before even getting onto the first tee.

How, on the driving range at Wentworth, I actually hit 27 out of 30 practice balls at varying degrees sideways.

And finally how, at Coombe Hill last week, playing against Miss Beverley Huke and Miss Christine Langford the end of what is admittedly a fairly short tether was reached.

Let me set the scene. After four holes I was level par, chipping and putting so well that Miss Huke, perhaps the prettiest manifestation of the Women's Professional Golf tour, was giving me appraising glances. The next hole is a long par four and after two quite good shots I was just short of the green. Two up, with a shot.

GOLF

ROGER PAUL

I chipped. The ball hit the socket, flew violently 20 yards right of where I was aiming, hit a steep bank on the soft green, jumped forward, rolled on and finished six feet from the hole. A total, perfect, fluke.

There were murmurs of approbation. I accepted them. No point in not.

Then I three putted. I was always going to, for is there a man with soul so dull that he can shank and remain indifferent? As the second putt, of say 18 inches, missed, I knew at long last that the wedge was finished.

It had produced in me that kind of impotent fury that all golfers will instantly recognise. They say golf teaches you patience and humility. Stuff and nonsense. You can be as patient with a shank as you can with the homicidal maniac who shoots out of a side turning in his car when you are but 20 yards away.

Dick, your wedge is going to have to go and the only question is how. I remember Peter McEvoy, after the final of last year's English Amateur Championship in which he had missed some putts, taking his putter into a copse at the back of the 15th green at Moortown. There he laid it on the ground, against a stone, carefully trod on it and snapped it. The shaft currently props up peas at his home in Birmingham.

But to me that scarcely seems violent enough. I fancy something, as they say in The Mikado, lingering, with boiling oil in it. Next week I am going to Puerto Rico, which is not far from Haiti, so perhaps I could give it to Baby Doc who might, I suppose, have been looking for just such a thing all his life.

As I said, your suggestions would be welcome. In the meantime, thanks anyway for the thought.

Yours from a safe distance.
Roger.

CHESS

LEONARD BARDEN

DURING HIS heyday in the 1950s and 1960s, Mikhail Tal, world champion 1960-61, was widely considered the unsurpassed genius of attack. The youngest champion in history lost the title after a year because of ill health—and at the same time the critics began to carp at his sacrifices.

I remember meeting another grandmaster at one of Tal's tournaments where the ex-champion was struggling and his colleague told me confidently: "Tal is not dangerous any more." Twenty years later, Tal is still sacrificing and has just completed a run of more than 70 tournament games without a defeat. He is also one of the rare chess personalities whom the public will travel long distances to watch.

Tal himself once commented on the obvious crowd-pleasing aspect of his play. "I like to hear the spectators react to my sacrifices. I don't think there is anything bad in such a feeling: no artist or musician is indifferent to the public."

It is good news that the USSR Chess Federation will be sending Tal to the next Hastings Premier in December-January. The other Russian is Polugaevsky, also a grandmaster of the highest world class, and apparently they are determined to end their run of poor results at Hastings in recent years. Hastings is once more sponsored by ICL, and the other announced competitors include last year's winner Andersson, the talented U.S. grandmaster Christiansen, with a strong British contingent of Littlewood, Speelman, Mestel and Nigel Short, plus possibly Nunn or Stean.

To judge from the calibre of USSR participants, Anglo-Soviet chess relations are on the upgrade.

We have already seen Smyslov in action at the Lloyds Bank Masters this summer, and the Russians have also announced that world champion Karpov and another highly ranked GM will play in the Phillips and Drew Kings at County Hall, London, in April 1982. At the first Phillips and Drew event in 1980 the USSR Chess Federation refused to compete and the organisers substituted Korchnoi.

This solid evidence of detente seems due to two main factors. One is the impression made by British results, particularly in team events such as the World Youth Championship where England won in 1978 and were second to the Russians in 1979 and 1981. The other is the influence of the new secretary of the USSR Chess Federation, Nikolai Krogius, a practising grandmaster with a good understanding of international play and organisation.

This week's game played in a recent tournament which Tal won, shows he is as adventurous and imaginative as ever.

White: M. Tal (USSR)
Black: J. Flesch (Hungary)
Caro-Kann Defence (Lvov 1981)

1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3N-QB3, PxP; 4 NxP, NQ2; 5 N-KB3, KN-B3; 6 N-N3, P-K3; 7 B-Q3.

7 . . . P-B4; 8 P-B3, PxP; 9 NxP, B-B4; 10 0-0, BxN; 11 PxB, 0-0. GMs probe opening theory for faulty judgments in the manner of the market men seeking undervalued investments. This position is assessed equal by the "Encyclopedia of Chess Openings" but Tal clearly likes White's attacking prospects and bishop pair.

12 B-KN5, P-KR3; 13 B-KB4, N-N3; 14 B-B2, QN-Q4; 15 B-K5, Q-N3; 16 Q-Q3!?

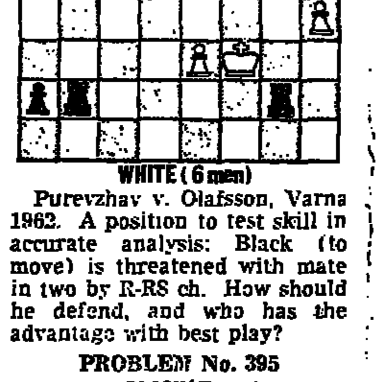
True Tal, preferring tactics to the simple 16 Q-Q2.

16 . . . N-QN5; 17 Q-Q2, NxB; 18 BxN! NxR; 19 N-R5, P-K4 (if PxB; 20 QxRP mates); 20 PxP, P-KN4; 21 P-K6! (opening the long dark diagonal against the black king), QxKP; 22 P-KR3, Q-B4; 23 RxN, B-K3; 24 R-K1, Q-N3; 25 P-KN4, QR-B1; 26 B-B3, KR-Q1; 27 Q-K3, R-Q6; 28 Q-K5. Decisive; the black king is trapped.

28 . . . R (B1) xB; 29 PxR, K-R2; 30 N-B6 ch, K-N2; 31 N-Q5 dis ch, K-R2; 32 N-K7, Resigns (Q-N2; 33 Q-K4 ch).

POSITION No. 395

BLACK (7 men)

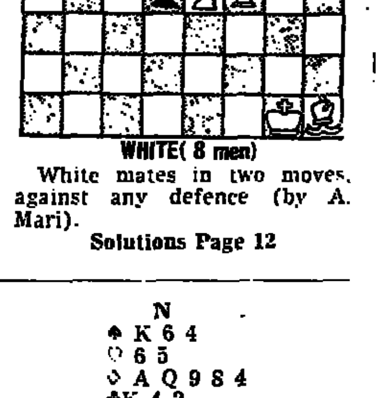


WHITE (6 men)

Purevzhav v. Olafsson, Varna 1962. A position to test skill in accurate analysis: Black (to move) is threatened with mate in two by R-R8 ch. How should he defend, and who has the advantage with best play?

PROBLEM No. 395

BLACK (7 men)



WHITE (8 men)

White mates in two moves, against any defence (by A. Mari).

Solutions Page 12

Raising from seed

GARDENING

ARTHUR HELLYER

SEEDS WOULD seem to be the most natural means of propagating all those plants that produce them but it is not always quite so straightforward as this might seem. A good many plants have evolved methods of delaying germination in their natural habitats until conditions are likely to favour the growth of seedlings.

In its simplest form this means that they do not germinate until the spring following the year in which they ripen and they measure this period as so many months at a low temperature. If they are harvested and brought indoors for the winter they will not register this period of cold and so will refuse to germinate when sown in spring even though conditions are ideal.

This kind of winter dormancy, common among shrubs including roses, can be broken by mixing seeds with moist sand or peat in the autumn, leaving them outdoors moist and exposed to cold but suitably protected from mice, birds and other seed eaters, and then sowing the mixture in spring. It can be done even more safely by storing the moist mixture in a polythene bag for three or four months in the bottom of an ordinary domestic refrigerator. Though they will not actually freeze, this is not, as was once supposed, necessary. It is adequate chilling that produces the internal changes which prepare the seeds to germinate and the refrigerator temperature, usually between 3 and 4 deg C, is sufficient.

Whether the treatment is warm or cold, the seeds must be moist.

Another way of preserving the life span of seeds is to keep them in hermetically sealed packages at a degree of humidity determined by the known requirement of the seed. To do this effectively the packages must not only themselves be air-tight but must be filled and sealed in a room with the correct degree of moisture in the air. Many seedsmen have installed the equipment to do this

Some seeds are difficult to handle because they are so tiny. Begonia seed is almost dustlike and needs scarcely any covering or it may be unable to germinate. It is also all too easy to sow small seeds too thickly so that the resultant seedlings are overcrowded and become weak and spindly before they can be pricked out. Various methods of overcoming this difficulty have been suggested, including mixing the seeds with silver sand, but there is a danger that the tiny seeds will gravitate to the bottom of the mixture

Pelleted seeds were introduced to make even sowing easier. Each seed is encased in a little pellet of some inert substance that will dissolve readily when wet and so allow moisture to reach the seed and enable it to grow. Not all seeds like being pelleted but for some it works well provided the seed bed or compost is kept moist enough

A new and ingenious way of overcoming this difficulty has just been launched by Bees Ltd, who are offering a limited selection of flower and vegetable seeds glued to tiny pointed cardboard sticks which can easily be pushed into the soil. Each has a line marked on it showing the correct depth for sowing. Again the method is limited to certain kinds of seed since not all respond equally well to being glued to anything, however seemingly harmless the adhesive, but Bees claim that those kinds that will be marketed on sticks next year have passed all tests and proved completely reliable. I gather that there are always several seeds on each sticks to ensure at least one seedling per station and, since there will usually be more than one, some singling out will be necessary when the seedlings appear.

What does seem to have met with wide approval are seeds pre-sown in sealed plastic containers which have only to be opened, watered and placed in a suitable environment, which must be adequately warm and also light, directly the seedlings begin to appear. Pre-sown seed packs are becoming quite an important part of the seed trade for the home market and it may well be that another even newer technique, that of selling seeds that are actually beginning to germinate, will prove equally successful, especially for seeds that are difficult to bring on. But there is the drawback that the germinating seeds must be planted directly they arrive or they will perish, whereas pre-sown but ungerminated seeds can be kept quite a long time if the package is not opened.

BRIDGE

E. P. C. COTTER

MY FIRST hand today occurred in an international pairs tournament. We might call it *Too Hot to Hold:*

	N	
	♠ K 8 5 3 2	
	♡ A 8 5 3 2	
	◇ 8 6	
	♣ K	
W		E
♠ A 7		♠ Q J 9
♡ 4		♡ 10 6
◇ Q J 9 5 2		◇ 10 7 4
♣ 9 8 7 6 3		♣ Q 10 5 4 2
	S	
	♠ 10 6 4	
	♡ K Q J 9 7	
	◇ A K 3	
	♣ A J	

With both sides vulnerable, South dealt and opened the bidding with one heart, North replied with one spade, and South rebid two no trumps. North was afraid that his next bid might not do justice to his holding, but he contented himself with four hearts. However, when South made a try with five diamonds, he had no hesitation in jumping to six hearts.

The heart-slam is not a good contract, but most pairs bid it, and it was generally defeated. Let us see what happened at one table where the bidding went as above. West led the diamond Queen, declarer took with his King, and at once returned the ten of spades. Thinking this might be a false card from Knave, ten, West played low, and the King won. South cashed dummy's club King, and returned to hand with a trump.

At this stage, if South knows that West has no further heart, he can get home by cashing the minor suit Aces, ruffing his last diamond on the table, and throwing West in with a spade. This would have forced West to concede a ruff discard. Not being clairvoyant, however, South drew a second round of trumps, and this gave West the opportunity for making a brilliant defensive play. He jettisoned his Ace of spades, destroying the endplay, and leaving South with two spade losers.

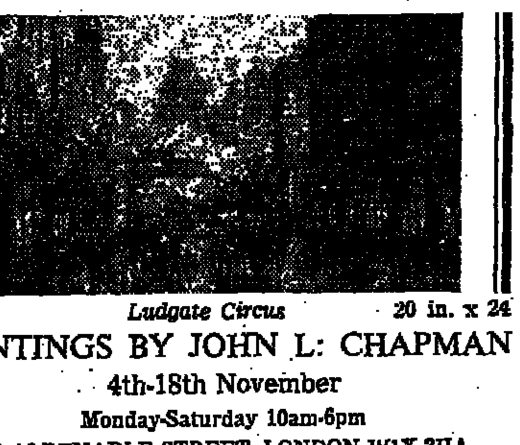
Of course, if West takes his Ace of spades at trick two, the contract has no chance of success, but it is difficult to blame West for not doing so—South's ten of spades was a good, psychological play.

My second example comes from teams-of-four play—I hope you will find it as fascinating as I did:

	N	
	♠ K 6 4	
	♡ 6 5	
	◇ A Q 9 8 4	
	♣ K 4 2	
W		E
♠ J 10 8 3		♠ 7 5 2
♡ A 10 7 3 2		♡ 9 8 4
◇ 5 2		◇ K J 6
♣ Q 7		♣ J 9 6 3
	S	
	♠ A Q 9	
	♡ K Q J	
	◇ 10 7 3	
	♣ A 10 8 5	

With North-South vulnerable, South dealt in room 1 and bid one no trump, which North raised to three. West led the three of hearts, and East's eight was taken by the Knave. The declarer then ran the diamond seven, losing to East's Knave, and the nine of hearts was returned. South played the Queen, and West correctly ducked. Now South ran the ten of diamonds, losing to the King, and the heart return defeated the contract.

In room 2 South reached the same contract after bidding one club, and West again led the heart three. The first three tricks were the same as in room 1, but at trick four, instead of trying another diamond finesse, the declarer, pretty sure that West had only a five-card suit, threw him in by playing his heart King. West was faced with a dilemma. If he cashed only one more heart and switched to another suit, South could take the diamond finesse without danger; if he cashed two more hearts—and this is what happened in actual play—East would be subjected to pressure that he could not withstand. East threw two spades, and West then switched to the spade Knave. Winning with dummy's King, South continued with Ace and Queen, on which East threw the club three and then, without change of pace, the diamond six. The declarer made King and Ace of clubs, dropping West's Queen, and now had a count on the hands. When he played a diamond and West followed suit, he knew that East's King must drop, so he played dummy's Ace, and the contract was made.



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The crisis at BL Cars

IF A full-scale strike starts at BL Cars on Monday and continues for more than a few days, the probability is that the business will be, if not liquidated, at least drastically reduced from its present size, with far greater job losses in BL itself and its suppliers than would occur if the present management's strategy was maintained. Every effort must be made by all the parties concerned to avoid that outcome.

A few years ago it might have been argued that BL Cars was in a process of irreversible decline and that liquidation was preferable to a slow, lingering death. Since then a great deal of progress has been made in cutting costs, in concentrating production on fewer sites, in rationalising the model range and in raising productivity.

It is still doubtful whether the business can become fully viable as an independent enterprise in its present form; some parts may have to be sold, while partnerships with other companies may have to be taken further than the licensing agreement with Honda to produce the Acclaim. But the achievement of the present management, with the co-operation of the employees, has been to halt the decline and to create the possibility of returning to profits within a reasonable time. For that achievement to be discarded as a result of a strike would not only be enormously damaging in industrial and employment terms; it would also be a symbol of Britain's failure to solve deep-seated industrial problems.

Refusal

The immediate cause of the dispute is the management's refusal to increase basic wages by more than 3.8 per cent. Any offer of higher wages from a company which is dependent on government support is in a sense artificial; logically the company should be seeking a wage freeze or even a cut in wages. Yet the figure of 3.8 per cent can be defended on the grounds that it is well within the rough "going rate" among hard-pressed manufacturing companies in the Midlands.

A comparison of weekly earnings among the four major British car manufacturers shows that BL workers are about on a par with the others. Ford, the most successful of the four, made an initial offer of 4 per cent yesterday, linked to co-operation on raising productivity. The British motor industry as contracted to an alarming extent over the past decade, mainly because production costs have been far too high. Unless the pressure to cut costs is maintained, the industry will be reduced to, at best, an assembler of foreign-made vehicles.

How the rewards from higher productivity should be distributed is the other main bone of contention at BL. After the unsatisfactory results of the switch from piecework to measured day work in the early 1970s, the present management introduced a system of incentive payments based on the performance of the plant rather than that of the employee. The operation of this system appears to be a source of grievance, partly because the connection between individual effort and reward is too remote, partly because the disparity of bonus payments between different plants is thought to be arbitrary.

Momentum

If any serious negotiations are to take place this weekend—and the momentum for a strike may now be unstoppable—they will presumably have to centre on the bonus system. The company has already offered to raise the ceiling on bonus payments to £30 per week with a minimum of £3.75. But it has adamantly and rightly refused to consolidate bonus into the basic rate. A willingness on the part of management and unions to look afresh at the bonus arrangements could conceivably provide the basis for restarting negotiations and averting the strike. But the union leaders would have to accept that there is nothing more available on the basic rate.

The fact is that the package on offer to BL employees is not unreasonable in the light of settlements being made at other manufacturing companies. It would be tragic if the company were to stumble to disaster almost by accident, whether through clumsy presentation by management, a misunderstanding of the details of the offer, or a mistaken belief that the Government will come to the rescue with more money. More time for reflection, negotiation and persuasion is desperately needed.

Pressures

It is, of course, just possible that the strike will take place and that the management will win it. The financial pressures on employees to return to work rather than face dismissal will be very strong. But whatever happens in the next few days the employees of BL Cars and the trade union leaders who represent them must face up to the consequences of their own actions. When the steel strike took place last year, the Government did not intervene, steel users switched to foreign suppliers and the consequence was a smaller steel industry than if the strike had not taken place. The people who went on strike paid the price for it. In BL Cars a strike would be far more damaging, but the same principle applies.

There is no hope for British industry unless this principle is understood and acted upon. It would be infinitely preferable for the understanding to come about through negotiation rather than confrontation, but that is now a choice for the employees of BL Cars and their trade union leaders, who have the future of the company in their hands.

BRITAIN'S SMALL BUSINESSES

Pinning hopes on a revival

THE Government is relying increasingly on a revival of small businesses to prove its economic and industrial policies hold out a bright future for Britain.

As the recession bites deeper into established companies, and as demand remains flat, Ministers are once again turning to the small end of industry to show that there is some reason for optimism.

The latest example of this has been a series of ministerial speeches citing the number of new businesses being created. The Prime Minister told the Conservative Party conference that 10,000 new ventures were being created each month. This statistic surfaced again a few days ago when Mr Patrick Jenkin, Industry Secretary, said that 2,500 companies are being born each week.

Mr Jenkin added, trying to dispel ideas that Britain's industrial base is being eroded, that the number of births may well outweigh the number of businesses being wound up or taken over.

But neither he nor Mrs Thatcher explained that these figures are only the initial—hastily assembled—results of a survey being conducted by a solitary civil servant recently appointed by the Industry Department to try for the first time to discover what is actually happening to small businesses. (The Canadian Government is thought to have a team of 55 doing the same work.)

The figures are culled from VAT returns which are considered the best, though incomplete source for discovering how many companies are being created and killed off.

However, since there are no previous figures to refer to, no-one is really sure whether Mrs Thatcher and Mr Jenkin are actually pointing to a significant success story. They may be merely highlighting a generally accepted phenomenon based on the experience of previous economic cycles that, after a time lag, the creation of small businesses accelerates as unemployed people have a go at being their own boss — especially now that they often have substantial redundancy pay to invest.

On Tuesday the Financial Times launches a new Small Business section on the Management Page designed for all those interested in the development of small companies. Today John Elliott sets the scene and investigates the extent of the small business 'revolution.' Tim Dickson (below) asks is there enough finance, and is it the right kind?

The claims from the Ministers and the low key way in which the Industry Department has mounted its statistical exercise, sum up the way that small businesses (which are generally defined as firms with less than 200 employees) have usually been regarded in Britain.

They are sought after in times of trouble by politicians, particularly Conservatives who rely on their goodwill for grass roots support and for votes. But they have not traditionally rated highly in the powerful policy making centres of Government.

As a result, little is known about them and they have often been ignored. There are no national statistics on how many there are, nor are there many well-known academics producing basic information.

The approach of governments started to change towards the end of the life of the last Labour administration when, in order to broaden its appeal in the run up to the last election, it introduced new policies.

This trend was continued when Sir Keith Joseph became Industry Secretary and relied almost to the exclusion of all else on the revival of the entrepreneur for the future of British industry. Now his successors are becoming impatient with the time it is taking to assemble concrete facts and are advertising the preliminary findings of their civil servants as fast as they can to boost morale.

The figure of about 2,500 new businesses a week does not seem particularly high or impressive to experts. Official company registrations, which exclude the majority of small businesses, have hovered around 1,000 a week for many years. Bankruptcies are running at a record rate but are not strictly comparable. And the figures have to be seen in context—overall there are thought to be about 1¼m small businesses in the UK, employing a quarter of the workforce.

But the Government may be able to claim credit for radically improving the climate in which small businesses operate. Otherwise, it could be argued, the normal cyclical pattern might not have been repeated in this recession and unemployed people might not have tried to go it alone.

More than 60 policy changes have been introduced since the election, following nearly 30 introduced by Labour. They have helped on various fronts including taxation, employment law, official form filling, availability of small factories, and general advisory services. The latest are the new loans guarantee scheme and the business start-up scheme tax incentives.

At the same time, tax changes have encouraged the development of management buy-outs which has helped to concentrate attention on the revival of entrepreneurial attitudes.

But no one knows for sure what sort of small businesses are being created. Information that is available suggests that more are in service industries that is available suggests that the total in manufacturing may not be declining.

There is also evidence that the era of the micro chip is generating a lot of high technology companies. But for every venture in new electronics that is capable of rapid growth and long life there will be dozens if not hundreds of run-of-the-mill businesses (including those unkindly dubbed by one lobbyist as "monastery garden" ventures) that will never grow much and may quickly die.

"I'd be much more interested in statistics about growth and longevity than births and deaths" one small firms expert said to me this week. He was making the point that the economy will only gain significantly from these that provide permanent employment and economic growth—more jobs are lost in every company that goes under than are created in a start-up.

For this reason small business lobbyists are turning their attention to measures that will encourage those with growth potential. They are beginning to criticise the Government for concentrating too much on the new and smallest businesses. They want the new bank guarantee scheme to provide loans up to £250,000 instead of only £75,000 and they want the business start-up scheme's tax advantages for investors to be applied to businesses going into a period of rapid growth.

Other items on shopping lists include concessions on various aspects of taxation and employment law, public purchasing policies oriented towards small businesses, and some statutory measure to try (probably ineffectually) to protect recent concessions from repeal by a future left-wing Labour Government.

But perhaps most important of all is a belief among individual owner-managers, as well as the politically-oriented lobbyists, that the Government should not use them to score political points.

The Government can justifiably claim that it has helped to revive the entrepreneurial spirit at a crucial time and it may eventually be able to produce statistics proving that a significant revival has been taking place that will change the shape of British industry. But for the time being it has no such evidence and there is little to show that the total effects of the recession are being offset.

Finance remains a major problem

SMALL businessmen looking for finance these days are widely thought to be well looked after.

The banks, for example, have devised literally hundreds of special lending schemes for small firms; investment institutions, to a large extent prodded by the arrival of American style venture capitalism in the UK, show ever greater imagination in meeting the equity needs of budding entrepreneurs. And anecdotal evidence from small businessmen themselves suggests that a greater understanding of their needs is developing at both local and national level.

Yet it would be wrong to suppose that the financing problem for small firms has somehow been "solved," once and for all.

There is, for instance, a wide gap between the commitment to the sector of clearing bankers sitting in head office and the attitude of many branch managers out in the field. Privately senior bankers admit that their lending is inevitably guided by long established and often inflexible rules and that the current generation of managers in their late 40s and 50s is unlikely to adapt easily to the increasing demands from their small business customers.

This is hardly surprising. After all until 10 years ago the clearing banks did not disguise their primary interest in big companies to pick up new business. Only after the Competition and Credit Control Act in 1971, which encouraged American banks to step up their activities in the UK market, were the British clearers seriously forced to change their strategy and look elsewhere.

Since the early 1970s the UK banks have also increased their term lending (first five years, then 10, 15 and even 20) and the number of unsecured loans. Another step in this development of financing arrangements — other than the straightforward overdraft and short-term loan—came when they started to take equity stakes.

However, some critics still argue that one of the problems of UK industry is a distinct lack of medium-term lending. The banks counter that if this is so, it is not because of reluctance on their part—many small businesses, they say, prefer to repay medium-term facilities early if they possibly can with the result that such loans show up later in the short term statistics.

The Government's small business Loan Guarantee Scheme, introduced earlier this year, and doubled recently to a £100m total, was an attempt to provide extra finance. Against the wishes of the banks, it provides a Government guarantee for up to 80 per cent of approved loans in return for a "premium" equivalent to 2.4 per cent in interest. (Over £30m has now been committed.)

Although money lent in this way is supposed to go to customers who would not otherwise have succeeded in negotiating borrowing facilities, there is a widespread suspicion—not discouraged by the banks themselves—that the funds have not in practice been going to "new" people. Nonetheless supporters of the Loan Guarantee Scheme argue that it has eased the difficulties of those with no track record or personal security to offer as collateral.

Few these days doubt that a well run company with a good project will have any trouble finding equity finance. Reliable statistics to illustrate the City's enthusiasm are few and far between but to give an idea Industrial and Commercial Finance Corporation (ICFC) probably the leading equity and loan capital institution in the field, says that in the year to March 1981 it dealt with about 700 new customers, compared with something like 200 a decade earlier.

Even so, many small businessmen argue that the conditions on which risk capital is available — usually that the investor should take at least 25 per cent of the equity plus an option to convert loans—are an unacceptable sacrifice, especially if they have built up their company from scratch.

The institutions retort that since a number of their investments go wrong, they have to make the most of those which succeed to make the exercise worth while. Whoever is right, a significant psychological barrier may be getting in the way of some companies' growth.

The biggest problem is always how to find the money to get going from a standing start. Nobody seriously expects the City to provide the answer here, which explains why a great deal is riding on the Government's new Business Start Up Scheme which offers tax incentives to investors.

The small business bandwagon is travelling along at breakneck speed. The main impetus has been and will probably remain political, but the financial community has now got the bit firmly between its teeth.

Letters to the Editor

Risk

From Mr R. Hargreaves

Sir,—Your editorial's conclusion (October 26) on "Cancun"—"the biggest contribution the industrial countries can make . . . is to put their own economies in order" is in the classic philosophical mould of those politicians and others who proclaim their readiness to do what they know is right when some obviously unattainable pre-condition has been achieved by them.

Might it not be the case that a pre-condition for economic recovery and keeping our house in continuing good order is to share more fairly the wealth which has been achieved to a large extent on the backs of the poorer nations?

A more even distribution of wealth in the Western nations was a pre-condition of the huge rise in living standards which they still enjoy (despite the current difficulties). Henry Ford I raised his workers' wages *before* his profits justified that apparent benevolence. We badly need today that kind of foresight and willingness to take a risk for a good end.

R. W. Hargreaves.
John Siddall and Son.
The Stock Exchange.
4, Norfolk Street, Manchester.

Europe

From the Chairman
South Wilts Anti-Common Market League

Sir,—We were most interested to read Mr White's request (October 21) to Ernest Wistrich of the European Movement to list six economic benefits for Britain of membership of the EEC and predictably outraged by the series of assertions and highly selected "facts" given in Mr Wistrich's response (October 26).

Our trade record with the EEC now shows a massive deficit on manufactured products despite the unfortunate diversion of trade from other markets such as Commonwealth countries, to the EEC caused by the imposition and realignment of the various tariffs involved. The cash balance in trade with the EEC is made up by our exports of oil and related products which in 1980 were worth over a quarter (£4.2bn) of Britain's non-oil exports to the EEC (£16bn). But oil will not last for ever, and meanwhile, jobs and investment in Britain's manufacturing sector are being lost as imports satisfy demand here.

Since joining the EEC and most probably because of the costs so involved, industrial investment has slumped in this country and investment which might have been made here can be transferred to the continent.

Since joining, the UK has had to borrow over £4bn from the EEC (despite the advent of North Sea oil) which compromises our ability to negotiate freely with our "partners" on other EEC matters. At the same time, taking into account the higher than world prices paid for EEC food imports, Britain is a net contributor of about £2bn every year to the EEC.

Contrary to the propaganda line about food prices in this country only rising "about 1 per cent per year" more than they would have done had Britain remained free to import from the world market, food prices here are now, on average, at least 25 per cent higher than they need be. One has only to mention the 95 per cent levy plus MCA payable on beef imports to the UK from outside the EEC, or the 32 per cent payable on all pig products, or the 85 per cent on wheat or the incredible 300 per cent payable on skimmed milk powder and so on and so on to make this point.

As part of the EEC which is the world's largest "all products cartel" Britain is hampered and compromised in negotiations to defend her economic and political interests—for example over fishing limits and the "cod war," trade in lamb, or (who knows?) the status of Gibraltar.

All these disadvantages, many of which cannot be quantified in money terms are daily brought home to us as over 6 per cent of all VAT revenue is paid directly to Brussels, food prices nudge remorselessly upward and, partly because of these EEC strains on our economy the Government has to claim that there is "no alternative" to a strategy involving 3m unemployed.

Jim Bourlet.
c/o Melrose, 51 Albany Road, Salisbury, Wilts.

'Smithsonian'

From Mr D. Porter

Sir,—One interesting feature of interest rates in the U.S. and the UK which has frequently been commented upon is the "high real rate of return" that borrowers are being charged. That is to say the difference between the interest rate and the rate of inflation.

In the UK this differential is far larger than it would appear since the private sector rate of inflation is clearly many points below the public sector.

Price increases of money are clearly a serious contributor to inflation, and furthermore the practice of debiting overdraft interest or other forms of rolling up interest obviously increases the raw numbers of money supply.

These problems are not confined to the U.S. and the UK (although their monetary effects may be more influential, and detrimental, in the evolution of policy).

The solution is for an "Interest Rate Smithsonian" where the major industrial countries agree (swiftly, over a weekend) to reduce domestic interest rates by, say 25 per cent.

This would have a neutral effect on foreign exchange rates.

It would reduce the cost pressure on corporations, governments and third world borrowers of expensive money. It would reduce the rate of monetary growth from accrued interest.

Although the unexpectedly lower cost for now borrowing would not have any immediate effect on the major sovereign or corporate borrowers where funding programmes for the next two or three years are broadly set, it might act as a structure for real wealth creating investment by smaller corporations and individuals whose capital spending programmes are more flexible.

It could also be argued that the "windfall" capital gains to bond investors might release funds for alternative equity investment in a suddenly more favourable climate for both equities and bonds.

D. R. W. Potter.
16, William Mews,
Lowndes Square, SW1.

Prosecutor

From Mr T. Watts

Sir,—I much appreciated Dr A. H. Hermann's article of October 22. I have often suggested that the European Court should have assessors sitting with it when dealing with competition cases. Its answer, however, is that it is not sitting as a court of first instance in these cases but only as an appeal court; accordingly it is dealing only with matters of law and do not need any skills in matters of fact.

This, and Dr Hermann's article, emphasises the unsatisfactory situation of the Commission being a court of first instance in competition cases—it acts as both prosecutor and judge. As you say, it would have been helpful if the European Court would have been prepared to conduct the long overdue review of the Commission's procedure.

T. R. Watts.
Price Waterhouse,
Southwark Towers,
32 London Bridge Street, SE1.

Telephones

From the Marketing Director,
British Telecom

Sir,—The report in your issue of October 21 got it wrong when it claimed that British Telecom is to be "forced" by the Department of Industry to license certain companies to sell telephones because there is a delay in setting up an independent approvals authority.

On the contrary, British Telecom has taken the initiative and has offered to help in the interim period while the British Standards Institute is defining technical standards for attachment to the telephone network.

We have proposed to the Department that they should select some of the extension telephones which are awaiting approval and submit them to us for evaluation. These would be for use on direct exchange lines.

Those suppliers and others who fear that British Telecom may be seeking to obstruct the process of liberalisation can easily check the facts with the Department of Industry. They will learn that, within our resources, we are doing everything reasonably possible to bring about the kind of changes which Parliament has willed.

Gordon Pocock.
2-12 Gresham Street, EC2.

United Nations

From Mr D. Lewis

Sir,—The impending election of a Secretary-General to replace Dr Kurt Waldheim should raise the question of Britain's continued membership of the UN under its present organisational structure.

The UN today has become an expensive and misleading farce. Its procedures and its achievements are a travesty of the hopes and aspirations of its founder members. Its various agencies have been captured by Third World countries. Resolutions are passed, appointments are made and funds are spent on the basis of political considerations rather than need. This is basically because there is one vote per country so that tiny countries with a population of a few hundred thousand have the same vote as a country like Britain. The politics are dominated by Marxists, anti-colonialist, Arab-nationalist and anti-Western ideologies which take precedence over truth. The western democracies pay virtually all the financial contributions and funds are spent, on the whole, in a way of which they would not approve.

I suggest that Britain should stop its contributions to the UN in respect of all UN activities of which it does not approve and withdraw from participation therein. It should suggest to its Nato partners a new organisation, to which members of the EEC and Nato alliance should be invited to subscribe which would collect funds equivalent to their present contributions and supply them, to the UN agencies and others for approved purposes. Such an organisation would have a small secretariat and funds would be disbursed to the implementing agencies with the consent of the contributing countries and on such conditions as may be imposed.

The present situation is wrong because the UN still has, in the minds of many people, the moral authority and sanction which it commanded at its foundation.

David Lewis.
Chelsea House.
Entrance 1,
West Gate, W5.

Afghans

From Mr K. Aase

Sir,—Why do you indirectly legitimise the actions of the Russians and their collaborators in Afghanistan by, in your September 24 issue, entitling an article "Afghan rebels win control over Kandahar," when they are resistance fighters defending their country invaded and occupied by the Russians? I doubt if the European resistance, fighting the Nazis under the second world war, would like to be called rebels.

Knut Aase.
17, rue Toepffer,
1206 Geneva,
Switzerland.

THE BRITISH CARPET INDUSTRY

Why the tread is wearing thin

BRITAIN'S CARPET industry faces a formidable array of problems. Demand is weak, competition from imports is ferocious and traditional export markets have collapsed.

In the past three weeks, two carpet companies have called in the receiver and several others have issued income statements awash with red ink. Yesterday Homfray, the West Yorkshire carpet maker, went into receivership owing around £7m to its creditors. Two weeks earlier, BMK, the Kilmarnock based manufacturer, had told its 1,500 workers that it too had no choice but to go into liquidation.

BMK said that the final straw was the recent rise in base rates. But its basic problem is that of the whole industry—over-capacity in a rapidly changing market. If stock market prices are any measure of a sector's health the £17m capitalisation currently placed on seven quoted carpet makers with net book assets of more than £100m tells a grim story.

Statistics compiled by the British Carpet Manufacturers' Association (BCMA), which accounts for around three-quarters of the British carpet industry, underline the problem. Sales to the home market by UK manufacturers in 1980 were at their lowest level for more than a decade at 118m sq metres. In terms of volume that represented a 16 per cent fall against the previous year. Actual monetary sales were 14 per cent down. Hardest hit was the woven end of the market with Axminster and Wilton volume slashed by a quarter while tufteds — accounting for almost four-fifths of volume though less than three-fifths of value — fell a tenth.

Meantime the steady decline in employment through the late 1970s almost turned into a rout last year with 8,000 out of 31,300 workers coming off the payroll. And still short time working is rife.

As the British manufacturers grapple with a sluggish home market — and in some cases overbearing levels of debt — their anguish is increased by the rapid incroads made by importers. In the past imports have accounted for a small part of UK sales. But dramatic advances have been made by foreign producers in the last few years. In the period from 1977 to 1980 imports tripled to 32.4m sq metres. In 1980 the volume of carpet coming into Britain jumped by two-fifths against the previous 12 months, or just under a third in terms of value.

For the first time in memory the level of imports overtook domestic producers' exports. The value of imports rose from £82.4m in 1979 to £106.6m in 1980 while exports declined by £22m to £91m.

The initial invasion came from the U.S. The sterling/dollar exchange rate moved in the Americans' favour, and they benefited from cheap feed stocks, thanks to artificially low oil and gas prices. Their manufacturing plants were much larger than those of the UK, offering scope for economies of scale. In addition, the U.S. carpet bit a new fashion note for the British consumer with the "shadow" pile.

However, the U.S. threat is beginning to recede. Exchange movements have eroded some of the pricing edge. President Reagan has decontrolled oil prices. American yarn producers have pushed through a 20 per cent price rise and UK manufacturers have adapted to the fashion changes.

There is no cause for rejoicing yet though. While the American attack has been checked and possibly partially repulsed in 1981 the Belgians are fast coming up on the other flank.

In four years their penetration into the UK tufted carpet market has risen from 0.5 per cent to 15 per cent. And there is no let up. Trade statistics are well out of date but in the first two months of 1981 the Belgians had again doubled their exports.

An appraisal of recent British export achievements makes equally glum reading. In 1980 overseas sales of British made carpets fell by 29 per cent in terms of volume and 19 per cent in value. From a peak of 43.8m sq metres in 1977, worth £140.6m, shipments had declined to 20.8m sq metres and £91m by last year.

Sterling's oil backed strength has made much UK produced carpet uncompetitive in international markets. And American manufacturers, which were beating the English on their home ground, were clearly leading the field when it came to neutral territory.

The contract market—sales to hotels, cinemas, offices etc—both at home and overseas is perhaps the one bright spot.

Looking forward the optimists can draw some comfort from recent exchange rate movements which must help the exporters and put some brake on the rush of imports. Also the general level of profitability should be improving (or at least losses reducing) thanks to the drastic paring of overheads during the past couple of years. Yet underlying demand shows no real signs of improvement.

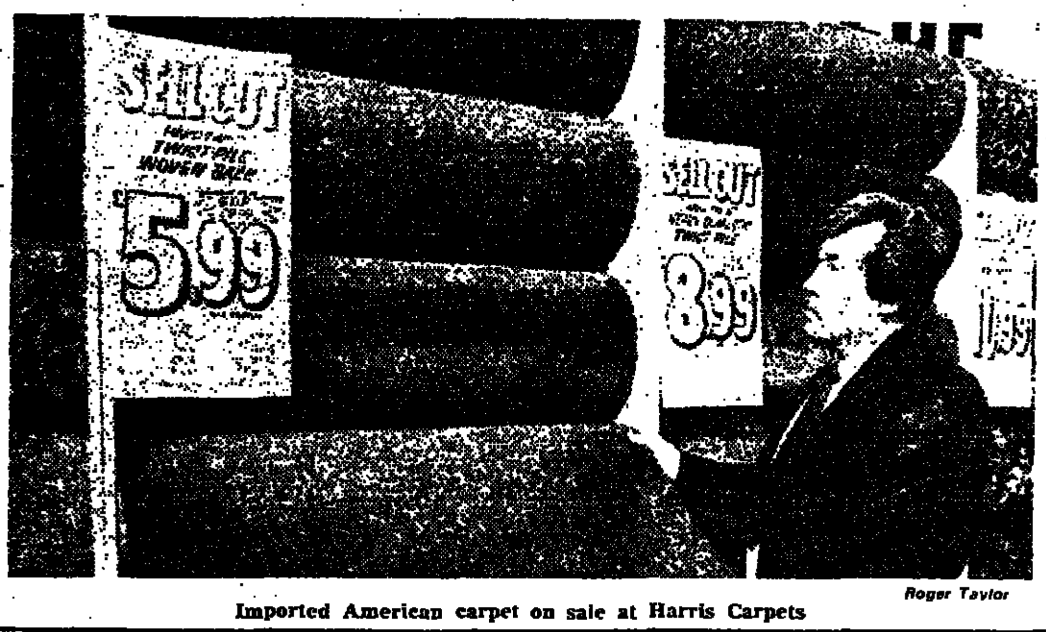
Still, the UK industry has held on to three-quarters of the domestic market. There are a few other sectors which would like to be able to say the same thing. And come the eventual upturn the carpet makers' lot should be a happier one. The nagging question is—"Will they all be around to see it?"

Terry Garrett

SOME LEADING UK CARPET MANUFACTURERS
1980 Sales in £m

Carpets International	114.5
Brintons	50.5
Shaw Carpets	36.2
Carrington Viyella*	29.2
Homfray	29.1
Lancaster Carpets	26.2†
Stoddard	22.9
Blackwood Morton	21.9
Firth Carpets	17.1‡
Tomkinson Carpets	11.3
Hugh Mackay	8.6
Caird (Dundee)	4.6‡

* Carpets only; † 1979; ‡ 1980-81.



Imported American carpet on sale at Harris Carpets — Roger Taylor

The unfamiliar men from London

THE UNFAMILIAR gentlemen from London were seated at the Homfray boardroom table in West Yorkshire by 9.30 am sharp yesterday. Outside, the company's main Batley plant stood idle. A lorry was turned back from the front gate. At home, Homfray's 300 workers received a letter in the post to tell them what few people in Batley had not heard by opening time on Thursday night: the family carpet business (established in 1891) had gone into receivership.

The surprising thing was that everyone involved in yesterday's talks seemed so confident about the future. The management praised the workers, the unions praised the management. Both saluted the receiver as the redeemer for those 316 workers left out of a workforce that was 1,750 as recently as September 1979.

So what went wrong at Homfray, where £4.9m is owed to Lloyds Bank and at least £2m to trade creditors? The answer seemed agreed upon by all: that a valiant fight-back in the last few months had not been enough to overcome the legacy of earlier mistakes.

New management policies, when they came, were too late. Mr D. E. Gillam, chairman since 1971 and grandson of the company's Victorian founder, sought advice from Bamford Hall Holdings, a local consultancy firm, early this year. But by May, the burden of mounting disasters had overwhelmed Mr Gillam's health. Mr H. R. Sykes, chairman of Bamford, himself agreed to take up the reins.

He recruited Mr Bob Wolff from Shaw Carpets, one of the few profitable British carpet companies, and brought his own team of consultants in to turn the company around. But the task was simply too formidable when set against the disastrous slump in carpet industry sales this summer, and the crippling cost of bank overdrafts. In the year to September 30, Homfray lost another £3m after pre-tax losses of £1.5m at the interim and £4.3m in 1979-80.

In some respects, the story of Homfray's sad decline is easily told. "We invested heavily in plant from 1976 to 1978," says Mr Christopher Gillam, who is the former chairman's son and represents his family's holding (of about 40 per cent of the equity) on the board. "But the cash flow projections all went wrong." Low level loop print—a basic cheap carpet product—cost £1.40 per sq yard at factory prices in 1978. It has been selling at 90p per sq yard this year.

By this May, the company had already undergone a brutal retrenchment. Mr Bob Luty is convenor at Batley for the National Union of Dyers, Bleachers and Textile Workers. Appointed in February, 1979, he started negotiating redundancies in May that year and has not stopped for more than two months at a time ever since.

The picture has changed radically since May. "For the first time, the workers have been absolutely confident, and we are still 100 per cent behind the management," says Mr Luty.

He had had an unenviable job in recent years. Apart from the redundancies a 2 per cent wage rise in 1980 has left the average weekly wage at only £90—40 per cent of it in incentive and bonus schemes. "We have taken all this because we knew it was part of an overall package. Redundancies have been a right battle. But look at the manning levels we have now. They are the best in the industry. Homfray is on its feet, no mistake about it, but we need a good financial push."

Certainly, remarkable things have been achieved. Overheads have been sharply cut by running 12-hour shifts. Mr Luty cites example after example of a few men doing now what 30 or 40 did only a few years ago.

"I'm sorry that we did not have more time, but, with the backing of the receiver to ensure continuing credit, we think we have a golden opportunity," says Mr Sykes. He will stay on at the head of the management team and will work closely with Mr Michael Jordan of receivers Cork Gully.

Out of Homfray's crisis, both men hope something can be salvaged of more general importance. "This country cannot afford to have its basic industries picked off, one by one," said Mr Jordan. "Homfray could be a catalyst for the desperately needed task of building the defences of the whole carpet industry."

Duncan Campbell-Smith

Weekend Brief

Rugby Union's 'hypocritical' fiction

HOW ABOUT this for a crazy situation? Mike Burton, 35, former British Lions, England, and Gloucester forward can dine out six days a week, sometimes twice or thrice a night, geography permitting, at Rugby club gatherings—yet, officially, he is beyond the pale.

Rugger hearties want to hear Mike, after the success of his "comedy book," *Tight Heads and Loose Balls* (Queen Anne Press, £5.95) which came out on September 17, sold more than 19,000 in four weeks, and has already gone to a re-print.

But he is *persona non grata* with the Rugby Establishment. On learning that he is now kicking for goal with a more autobiographical effort, *Never Stay Down*, they blew the whistle and ruled him in breach of the Union's amateurism rules.

"I reckon it's all a bit hypocritical," said Burton. "The Rugby Union makes £300,000 from each international at Twickenham, the place is covered in advertising, and John Players and Schweppes put hundreds of thousands into sponsoring competitions. Yet the Union is trying to maintain the fiction that it is an amateur sport.

Mike Burton: "I don't think I should be outlawed"

"I am not bothered greatly for myself—though I don't think I should be outlawed—but other players who have earned money from books could still make a great contribution in coaching and administration.

"In 1974, when I toured with the Lions, the South African Rugby Union made £3m profit—and we were given 15 shillings a day expenses. Is that right? It's all like having a successful West End musical, and not paying the singers and dancers."

Rugby Football Union secretary Air Commodore Bob Weighill said: "There was no problem. Mike Burton wrote admitting honestly that he intends to keep his book royalties. This is in breach of the rules, and he is clearly ineligible to continue in the sport.

"We are one of the last bastions of amateurism, and the vast majority want to keep it that way. We believe that it is wrong for anyone to make money out of the sport. We have 2,000 or so clubs, and I do not recall any attempt to change the rules so that people could cash in on books about the sport. Our people do not care two monkey's ruptures about it."

Other famous players have been similarly dealt with for making money out of books about rugby.

Rowing, incidentally, is not so Simon pure. The Amateur Rowing Association has accepted that coaches cannot spend as much time getting fit as those who row, and are changing their rules to let them row as amateurs. Athletics says: If athletes endorse products, let the money be paid to their national association and let them decide what to do with the money.

It is all a bit odd, isn't it?

The bourgeois run for cover

The murky world of French tax evasion is becoming murkier still as the notorious new wealth tax proposals proceed on their turbulent journey through the National Assembly. All over France, the well-heeled middle classes are said to be abandoning their bank safe boxes, traditionally protected from the prying eyes of the taxman, in favour of the more old-fashioned hiding place for the family jewels behind the chimney or under the matress. At the frontiers, particularly with Switzerland, the discreet traffic in family heirlooms and gold coins is mounting; and a new black market, dubbed ingenuously the "parallel" market, is supposed to be developing by leaps and bounds.

The tax, brainchild of M. Laurent Fabius, the 34-year-old rising star of the present Government, is now engulfed in a venomous Left-Right parliamentary battle which could well equal the ferocious contest over nationalisation.

Starting at a base of FFr 3m (£286,000) assets are to be taxed on a progressive scale rising from 0.5 per cent to 1.5 per cent. The Government sees this as a way of redressing some of the social imbalances in a country where income taxes have been light, but where everyone is exposed to hefty sales taxes. The Opposition claims, somewhat confusingly, that the measures will yield very little, while cutting a swathe through the small businesses which depend upon personal capital.

More specific criticisms have come from the art world, which has just won a resounding victory by persuading President Francois Mitterrand to exempt paintings, sculptures and other *objets d'art* from the tax. Auctioneers argued that France ran the risk of losing its art works to foreigners, since few French citizens would want to be seen buying such potentially costly items.

Stately home owners, reckoned to number at least 30,000 in France, have also fought their corner strongly, though so far without success. Unlike owners of more easily handled treasures, they can neither surreptitiously export nor hide this part of their wealth. They will have to pay up or sell out, and since many owners claim to be already struggling against the cost of upkeep, the omens are not good.

Given the generally cavalier attitude to direct taxes in France, the Government has naturally ringed the new measures round with catchall restrictions designed to locate the rich. Gold transactions, formerly anonymous, now have to be registered. If you buy any precious stone or jewellery worth more than FFr 5,000 it has to be by cheque. Insurance companies must, in addition, give the tax authorities the name of anyone insuring collections for more than FFr 100,000.

By exempting art, President Mitterrand has undoubtedly drawn some of the teeth from these draconian measures. But they have still undoubtedly delivered a formidable blow to the collective psyche of the French bourgeoisie. The idea that private property is sacred, and that the taxman has *no* business poking his nose into family affairs, runs deep in middle-class France.

This is why cynics believe that M Fabius's proposals will create more noise than revenue for the Treasury. Evasion, they say, will continue. Indeed, it is widely reported that many big insurance policies for private treasurers are now being torn up. It promises to be a busy time for the burglar alarm manufacturers.

UK notoriety to New York 'philanthropy'

Howard Ronson, a name familiar and for a while notorious in British property circles in the mid-1970s, was making headlines in New York yesterday.

Ronson, who with his father was described by a Department of Trade report in 1976 as "not a suitable person at the present time to act as a director of a company," has just landed one of the juiciest property deals in the Big Apple for some time. The project is to build a 64-storey office block right up against the south-east corner of the Byzantine-style St Bartholomew's Episcopal Church on Park Avenue, dead opposite the world headquarters of ITT and a stone's throw from the Seagram Building, which many consider to be the finest tall building in the city.

Ronson, most of whose business interests these days are in New York, was the toast of the news conference called to unveil the model of the building, rumours of which have attracted great controversy in the city because St Bart's is a landmark which many feel will be spoiled by its shining new neighbour.

Mr John White, chairman of Landauer, New York's premier real estate consultancy company—current projects involve finding buyers for the $1.5bn World Trade Centre and the General Motors Tower on Fifth Avenue—said that in 35 years in the business, he had never come across a developer of such generosity. He was referring to the fact that Ronson has agreed to let the Church have its five storeys of the building, the bottom five, rent free.

"I have never seen a transaction of this type and I think it's a great credit to Mr Ronson," effused White.

Mr Ronson, I have to say, looked a shade uncomfortable at these plaudits. But it had to make you wonder whether the man, two of whose housebuilding companies in England had collapsed after various allegations, had decided to take up philanthropy in his middle years.

Not so, Ronson asserted bluntly. "This just happens to be the best site in New York, probably the best site in the world," so he was keen to respond to the church's social and architectural requirements, if that would help him win the competition against eight other developers.

Was not just a tiny bit of him hoping to impress St Peter? "No, I don't think it would work," he replied with a laugh.

Actually, the project also contains some fairly considerable risks, not least of which is a determined band of opponents, including some leading architects and a group of parishoners, who have vowed to fight the redevelopment all the way to the Supreme Court if necessary.

Meanwhile Ronson has agreed to a series of up-front payments, starting with a cheque of $200,000 due on the signing of the letter of intent this week. Another $1m will be due on February 1.

Contributors:
James French
Terry Dodsworth
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Economic Diary

TODAY: EEC Finance Ministers informal meeting concludes, London.

TOMORROW: Sir Geoffrey Howe, Chancellor of the Exchequer, Mr Norman Tebbit, Employment Secretary, Mr Peter Shore, Opposition economic affairs spokesman, and Mrs Shirley Williams, Social Democratic Party leadership, speak at forum on opening of Confederation of British Industry's conference, Eastbourne (to November 3).

MONDAY: European Parliament session opens, Strasbourg — general debate on 1982 draft budget (to November 5). Japanese Kansai committee for economic development starts two-week visit to U.S. to study industrial management. CBI conference main session starts, Eastbourne. King Hussein of Jordan begins two-day visit to U.S. to discuss Middle East peace efforts.

TUESDAY: Treasury gives figures for UK official reserves for October. Capital issues and redemptions (during month of October) from Bank of England. CBI conference debates the economy—Sir Campbell Fraser, deputy president, gives closing address, Eastbourne. EEC Development Council meets to discuss energy aid procedures, Brussels. EEC Standing Committee on Employment meets to consider the effect of new technology on social change, Brussels. National Union of Seamen meet general council of British Shipping over pay claim, London. Mr Roy Jenkins, SDP leadership, speaks on North-South issues, London. Lord Carrington, Foreign Secretary, visits Saudi Arabia to discuss Crown Prince Fahd's Middle East peace plan. Stock Exchange turnover figures published.

WEDNESDAY: State Opening of Parliament and Queen's Speech. Advance energy statistics for September. Israeli and Egyptian Ministers meet for further peace settlement negotiations, Cairo.

THURSDAY: Housing starts and completions for September from Department of Environment. Provisional figures of vehicle production for October from Department of Industry. Public sector borrowing requirement and details of local authority borrowing for third quarter from Central Statistical Office. Mr Roy Jenkins, SDP leadership, addresses Westminster Chamber of Commerce, Hilton Hotel, London.

J. Hepworth profits fall by £1.63m

INCLUDING results of Kendall and Sons from May 3, turnover of tailor **J. Hepworth and Son** expanded from £61.92m to £75.69m for the year ended August 31, 1981, but taxable profits dipped to £4.08m, against £5.71m.

At halfway the surplus had fallen from £3.5m to £2.72m.

The year's dividend is maintained, however, at 3.79p net per 10p share with a same-again final of 3p. Earnings are shown as £7.69p (6.66p) per share.

Above the line, interest charges took £1.37m (£1.55m) and after tax, much lower at £680,000 (£2.86m) and an extraordinary credit of £120,000 (£25,000) the attributable balance came through higher at £3.52m, compared with £2.87m.

Dividends will absorb £1.72m, against £1.69m.

Profits on property sales during the year totalled £649,000 and £418,000 was written off, mainly in respect of the Sunderland factory and branch closures. Both have been included in extraordinary items.

Properties were revalued in accordance with the company's "rolling" revaluation policy and the surplus of £9.8m over the 1980 valuation was taken to reserves. Goodwill on the Kendall acquisition was charged against reserves.

On a CCA basis group pre-tax figure is reduced to £3.1m (£2.76m).

See Lex

S. Jerome & Sons at £203,000

TAXABLE PROFITS of **S. Jerome and Sons (Holdings)**, textiles and communications group, fell from £212,000 to £203,000 in the first half of 1981, on turnover well ahead at £6.02m compared with £4.87m.

The interim dividend is being effectively maintained at 0.833p net per 25p share—last year's total was 2.952p (adjusted). Earnings per share for the six months are given as 2.9p (2.3p).

Mr W. Jerome, chairman, says the textile industry is very depressed, competition for any available business is intense and he sees no immediate improvement in this position.

The group's non-textile divisions are also experiencing difficulties in some areas due to the recession, but he is confident that their year-end results will be satisfactory. In the absence of unforeseen circumstances the directors hope to recommend a final dividend equivalent to last year's.

A breakdown of turnover shows: textile home £3.74m (£3.66m); textile export £468,000 (£394,000); non textile home £1.78m (£814,000); and non textile export £31,000 (nil). Taxable profits are divided between £96,000 (£105,000) for textiles and £107,000 (same) for non-textiles.

Howard & Wyndham cuts loss

FOR THE six months ended June 30 1981, sales of retail jeweller and publisher **Howard and Wyndham** fell from £5.28m to £4.33m, but taxable losses were reduced from £969,000 to £377,000.

Loss per share is given as 6p, against 14.5p, and again there is no interim dividend — the last payment was 0.335p for the 1978-1979 year.

For the 18 month-period ended December 31 last, pre-tax losses amounted to £1.09m (£504,770).

Pre-tax figure for the group was after interest of £187,000 (£256,000) and an exceptional debit, last time, of £207,000.

Tax charge was £7,000, compared with £5,000, and there was a £1m extraordinary debit in 1980.

Derritron further in trouble

AFTER interest, up from £61,000 to £179,000, taxable losses of electronic equipment manufacturer, **Derritron**, increased to £536,000 for the first half of 1981, against £246,000.

The directors say that while present levels of interest continue to be a "massive burden" on the group's recovery, concentration of efforts to achieve a high level of delivery in the final quarter, offers some ground for optimism that the deterioration at trading level may now have been stemmed.

Turnover for the six months went ahead from £3.1m to £3.4m and there is again no interim dividend—the last payment was a 0.5746p interim for 1979.

In August the directors reported annual losses of £565,334 (£117,161) for 1980.

Trading conditions were difficult during the six months, directors say, leading to a reduction in manning levels in the UK of nearly a quarter since the beginning of the year, at a total cost of £96,000.

Following successful negotiations for the transfer and termination of the Irish activities, directors say it has been possible to release over provisions of £209,000 in respect of costs of these discontinued operations.

Loss per 10p share is given as 2.87p, against 2.1p, before the extraordinary items.

Davies & Newman first half losses near £2m

FIRST HALF pre-tax losses for 1981 of **Davies and Newman Holdings**, operator of Dan-Aair, shipbroker and ships' agent, increased from £761,000 to £1.99m against profits for the whole of 1980 of £2.35m. Turnover for the six months fell from £67.67m to £65m.

The interim dividend is being missed—last time 3.08p net was paid per 25p share together with a final of 6.16p. Losses per share for the half year are given as 26.28p (6.06p adjusted).

Mr F. E. F. Newman, chairman, says the charter activity of Dan-Air was lower than last year. The air traffic controllers go slow in the second quarter reduced the revenue of the scheduled services, which were also affected by the recession and severe currency fluctuations.

The airline is currently experiencing all the adverse factors common to the industry. Although activity was high over the peak summer months, rising costs and excess capacity throughout the industry continues to erode margins, Mr Newman says.

Davies and Newman, the shipbroking subsidiary continues to trade profitably despite the recession, he adds. The associated company Dan-Smedvig, oil drilling contractor, is making good progress, while the travel agency and other associates are trading satisfactorily.

The taxable losses include profits from associates of £168,000 (£29,000) and were struck after depreciation of £2.13m (£1.82m), aircraft hire charges of £1.43m (£1.59m), interest receivable of £124,000 (£227,000) and interest payable of £1.06m (£845,000).

There was a tax credit of £500,000 (£372,000) leaving attributable losses of £1.49m (£344,000).

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
British Assets	1.05§	Jan 5	0.95	4.95	3.8
Caparo ....int.	0.5	—	Nil	**	Nil
CLRP Inv. Tst.	1.9	Dec 4	1.9	3.5	3.5
R. H. Cole ....int.	Nil	—	Nil	—	2
Davies & Newman int.	Nil	—	3.08	—	9.24
J. Hepworth	3	Jan 4	3	3.79	3.79
S. Jerome & Sons int.	0.83	Dec 10	0.83*	—	2.95*
Linread	1	Dec 7	1	1	2
Stanley Miller ....int.	Nil	—	0.6	—	1.4
Platignum ....int.	Nil	—	Nil	—	0.01‡
Polly Peck	5¶	Feb 5	Nil	5.2¶	Nil
Priest Marians	5.74	Jan 8	5.74	5.74	5.74
UBM Group ....int.	1	Jan 4	2	—	3
Wearwell	1‖	Feb 5	1.7	3.5‖	2.5
Wood Hall Tst.	6.21	Dec 10	6.21	6.21	6.21

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡ Paid as a special interim. § Corrected. ¶ For 17½ months. ‖ For 69 weeks. ** Total of around 1p forecast if profit expectations are met.

UBM suffers £831,000 deficit and margins still under pressure

ALTHOUGH SALES of the UBM Group were unchanged at £119.2m for the six months ended August 31 1981, this builders' merchant, glass, scaffolding and motors concern fell into the red by £831,000 pre-tax, compared with profits of £2.33m previously.

Mr Michael Phillips, chairman, says it is difficult to forecast the likely outcome for the full year; merchant sales are showing increases in both volume and market share over last year, but profit margins are still under "intense pressure."

The interim dividend is down from 2p to 1p net per 25p share—last year's final was 1p paid from pre-tax profits of £2.67m—and loss per share at halfway is given as 0.5p, against earnings of 1.8p.

There was a trading profit for the six months of £696,000 (£3.9m) and with sales were split divisionaly as to: builders' merchants £325,000 loss (£2.02m profit) and £73.8m (£73.29m); glass £108,000 (£204,000) and £1.23m (£10.06m); scaffolding £106,000 (£896,000) and £4.32m (£4.97m); motors £511,000 (£638,000) and £25.59m (£25.35m); overseas £262,000 (£82,000) and £3.4m (£4.1m); other activites £34,000 (£63,000) and £847,000 (£1.42m).

Results for the six months do not include figures from Neiman-Reed Lumber and Supply Company, acquired on July 31, or the interest payable on the purchase consideration for the 51 per cent of capital acquired.

The merchant division's central distribution warehouses were badly affected by operating at much lower than planned volume levels, Mr Phillips explains. However, seven new or redeveloped large branches were opened and a further eight will be opened by April next year.

After a tax credit of £550,000 (£1.28m charge) the attributable loss was £281,000, compared with profits of £1.05m.

● **comment**

UBM never had much chance of producing a first half profit — the ever fiercer slump in the building industry and the group's high operational gearing saw to that — but it has at least paid something of an interim dividend. The shares responded with a 5p rise to 52p yesterday but restoration of their former income tag is a long way off. But the core activity is still struggling with lamentably thin margins and the long battle to slash costs goes on. A repeat of last year's (reduced) dividend is going to yield 8.4 per cent which, with net worth of 110p and a very strong balance sheet, suggests that UBM remains a weak hold. Yet it has already made it quite clear how sharply the cycle in which it operates will always affect profits. So, unless or until the bid gossip revives, perhaps the best way to look at UBM is as a jobbing stock, estimating the turn in the construction cycle and deciding the merchanting sector's response time within it.

R.H. Cole misses interim payout

PRE-TAX losses of **R. H. Cole**, chemicals, plastics and electronics group, jumped from £79,000 to £295,000 in the first half of 1981, on turnover reduced from £13.8m to £9.54m.

The interim dividend is again being missed—last year a final of p net per 25p share was paid on taxable losses of £292,000.

The directors say the losses reflect the continuing adverse trading conditions and the loss of contribution from Cole Electronics, the data communications business, sold in January. In addition a provision of £80,000 has been made against exceptional items.

The improvement in liquidity arising from the data communications business disposal has resulted in substantially reduced finance charges of £121,000 (£202,000).

They say margins continue to be squeezed by competitive market conditions and by inflating costs; particularly rates and public sector services.

The company is experiencing some success in achieving an improvement in turnover by a more aggressive approach to both home and export markets. Overheads continue to be under close scrutiny and further economies will take effect within the next six months, they say.

A decision on a final dividend will be taken in the light of the trading results for the year and the situation at the time of the final announcement.

There was a tax credit of £153,000 (£41,000) and attributable losses emerged at £142,000 (£41,000). There were minority interests of £3,000 last time.

C. Moran group chief quizzed

Mr Raymond Hall, a former director of **Christopher Moran Group**, who resigned last year when an attempt to move Mr Christopher Moran from the board failed, asked questions about a "risk premium" item in the accounts of the group at yesterday's annual meeting.

He pointed out that a risk premium item of £440,000 had been recorded in the 1979-80 accounts, while a net risk premium of £369,000 had been entered in the latest accounts. "Is this in fact the same policy or is it the netting off of various other policies?" he asked.

Mr David Bryans, chairman, said that the figures in the latest accounts were net figures. "It is the balance which has been carried forward."

In answer to another shareholder's question about whether the company was trading profitably, Mr Bryans said the Moran group had had to make a large number of provisions in relation to matters of previous years in the last accounts.

"I am not allowed to make forecasts," he said, "for the current year. All I can say is that the monies that have been received from the sale of the agency companies are placed on deposit. And we are reducing overseads substantially."

He added: "We have not recommended a dividend in our last financial year, but we will be considering the possibility of a dividend when we have the accounts available. We will probably be considering that at the interim stage."

In answer to another question, Mr Bryans said the company had held discussions with the Stock Exchange over the restoration of the group's listing. "The directors were of the opinion that it would not be appropriate to make an application to the Stock Exchange to have the listing reinstated until such time as the problems affecting the main part of the business—insurance broking—are resolved."

Mr Christopher Moran, who faces charges of fraud, together with a Lloyd's underwriter, said after the meeting that he expected his trial to take place in about two weeks' time.

£2.1m downturn at James Neill

HEAVY LOSSES have been incurred by **James Neill Holdings**, tool manufacturer and general engineering, in the half-year to June 30, 1981. The figures show a pre-tax loss of £1.14m compared with profits of £960,000. No interim dividend is being paid — last year there was a single payment of 1.4p.

After earlier forecasting a substantially higher level of sales in the second half, the board now anticipates little change from the level of sales in the first half, which were down from £26.8m to £24.15m.

Even at this level, with output now being aligned to demand and with the benefits of reduced overhead expenditure, the company is experiencing a real improvement in trading profits, and the board believes that, after interest charges, it will at least break even in the second half. Interest charges in the first half amounted to £1.25m (£1.41m).

There was an extraordinary debit of £1.2m and Mr J. Hugh Neill, the chairman, says this arises almost wholly from the decision to discontinue the melting and rolling of steel, and comprises redundancy and other terminal costs.

Tax took £124,000 (£166,000), minorities £3,000 (£4,000), resulting in a retained loss of £2.48m (£545,000 profit). There was a stated loss per 25p share of 7.1p (4.4p earnings).

Mr Neill says that in all the circumstances, the board has decided that no interim dividend is justified at this stage. But he says it is his personal view that the demand for British-made tools will increase both at home and abroad. Following the trimming of the group's labour force and the reduction in overheads, it should be well placed to benefit from such increased demand.

Platignum fails to halt slide

DESPITE OPERATING on much reduced cost levels following the action taken earlier in the year, **Platignum** has fallen deeper into the red with losses of £402,268 compared with £18,184 for the six months to July 31 1981.

Sales of this manufacturer of writing instruments and plastic mouldings, dropped from £5.04m to £3.69m. The interim dividend is again omitted—last year's payment was a token 0.01p in the form of a special interim.

Mr Christopher Andrews, the chairman, says the lower than anticipated sales volumes have considerably delayed the benefits of the extensive remedial cost-cutting action.

He says sales so far in the second half are showing no real improvement, and the recent sharp increase in interest rates is having an adverse effect on demand during this, the company's peak selling period. Although de-stocking by the trade in the UK has eased, its major customers have given no indication of returning to traditional stock levels.

However, strenuous efforts are being made by the re-structured sales and marketing team to maintain market share. Two important markets overseas have recently been closed with, potentially, a very adverse effect on sales to the year end.

He says the outlook for the coming six months indicates a continuation of loss, after increased interest charges, though at a much reduced rate.

There was a tax credit of £234,789 compared with £8,768, leaving a net loss of £167,479 (£9,416).

Polly Peck over target at £2.1m . . .

TWO companies controlled by Mr Asil Nadir, **Polly Peck (Holdings)** and **Wearwell**, have announced strong profit performances, and a third, **Cornell Dresses**, reports that it intends to broaden its interests by diversification.

Polly Peck has exceeded its profit forecast, made at the time of the rights issue last July, and reaffirmed with the second interim report. It is also paying a final dividend of 5p net, giving a total payment of 5.2p (nil), and confidently forecasting a substantial increase in turnover, profits and dividend for the current year.

Against a forecast £2m, group pre-tax profits for the 17½ months to August 31, 1981 turned in at £2.11m. This compares with a profit of £51,779 for the period from March 20, 1980 to February 28, 1981 and a loss of £89,581 for the year previous to that.

Mr Nadir, chairman, says that, as well as exceeding projections, the result now reported is by some way a record for the group and represents a realistic first step towards the attainment of the company's budget, set out when it originally diversified into packaging.

He points out that the UNI-Pac factory in Cyprus only came into full production in March, and since then the company has added two further casemakers to the original plant.

He says he feels it would be prudent to pay a higher dividend at this stage, as it is necessary to conserve cash resources in order to develop the many opportunities open to the group.

With this in mind, Restro Investment, the holding company in which Mr Nadir is indirectly principally interested, and he himself have waived rights to the final payment.

Due to substantial demand for corrugated packaging products from Syprus and other Middle-Eastern countries, the plant is working at full capacity and is sold out for the current year. Steps have already been taken to expand capacity substantially to cater for some of the demand existing in the area.

The group's textile division is now trading in three different areas, shop-within-store, direct mail order and exports—and has substantially increased its turnover. With more emphasis given to exports, the directors are confident that this division will contribute to the company's expansion.

For the 17½ months, group turnover expanded to £6.48m (£1.04m for the previous year). Profits were struck after depreciation and interest of £263,746 (£18,200). Tax took £646,392 (nil), leaving the attributable balance at £1.46m. This compares with a £43,989 loss which was after an extradorinary credit of £45,592. Earnings per 5p share are stated at 21.2p (1.6p loss).

Results of Cornell Dresses, in which the company took a 57 per cent stake in January, have not been incorporated into the fiures for the 17½ months.

As regards Cornell, it is announced that a feasibility study is currently being carried out in Northern Cyprus, with a view to entering the poultry industry. There is a strong demand for poultry in the Middle East, a demand which it is felt, could in part be met by exports from Cyprus.

Other areas relating to agriculture are also being considered, again with a view to export. It is expected that these studies will be completed within the next two months.

There seems to be no stopping Mr Asil Nadir. Having piloted Polly Peck's recovery and spirited the Wearwell group into a smart pick-up in profits, he's now waiving his Polly Peck dividends and ploughing ahead with expansion and acquisition plans, writes Carla Rapoport.

Mr Nadir, 39, says that market predictions of £10m in pre-tax profits for Polly Peck in the current year are not unreasonable. "I guess you could say our businesses are flourishing," the soft-spoken businessman said yesterday.

Polly Peck is now essentially a corrugated box operation in Northern Cyprus which produced 8 to 9m units in the last 17½ months, and provided more than 90 per cent of Polly's profits. In the current year Mr Nadir expects output to triple to 30m. The traditional textile side is trading profitably and shifting from wholesale to more retailing and exporting activities.

Cornell, acquired earlier this year, should produce some profit this year following a £121,000 loss on £1.6m turnover last year.

Other than his stated interest in poultry, Mr Nadir was reluctant to spell out his acquisition plans, but its a sure bet that he will stick to Northern Cyprus or the Middle East. His attempts to lease ships and move into produce exportation have been delayed, but he expects the diversification to be completed this year.

Wearwell also depends on the Middle East connection, selling more than 90 per cent of its Western-style clothes to Saudi Arabia, Iraq and other oil producing countries.

But how does he manage? "I have excellent management and I sleep very well," says Mr Nadir.

. . . Wearwell tops £4m

For the 69 weeks to August 28 1981 Wearwell reports an upsurge in pre-tax profits to £4.01m, against £1.61m for the previous year. Turnover jumped from £10.04m to £21.29m and profits were struck after depreciation and amortisation of £193,428 (£123,365) and interest of £1.42m (£431,735).

Tax took £520,657 (£150,057), there was an extraordinary credit of 1.07m (£7,912) and £3.8m (£977,392) was retained.

Earnings per 5p share are shown to have risen from 7.8p to 16.1p and the final dividend is 1p net. This gives a total for the period of 3.5p, compared with 2.5p for the previous year.

Mr Nadir, also chairman of Wearwell, reports that current trading conditions are buoyant and demand for the company's products remains high.

Further record results are forecast for the current year.

Group freehold properties were revalued at the year end, resulting in a £5.42m surplus over book values. Extraordinary credits refer to the surplus, less tax, arising on the sale of 31 Commercial Road. This surplus is subject to adjustment depending on the final costs of construction.

Wood Hall figures not 'indicative'

LOSSES of £6.98m from its building, contracting and estate development division have resulted in pre-tax profits of **Wood Hall Trust**, the industrial holding company, falling from £9.78m to £4.07m in the year to June 30, 1981. The dividend is unchanged at 6.21p net. Turnover rose substantially from £413.58m to £525.7m.

The directors say the profit is not indicative of the prospects for the group because it is affected substantially by three factors, wholly or largely non-recurring, namely:

1—the building, contracting and estate development division loss which arose wholly from a higher loss (including provision for future losses) incurred by one of its contracting businesses which it has been decided to discontinue:

2—the receipts of extraordinary profits of £6.4m, mainly from the sales of former large investments held in Pauls and Whites and Elder Smith Goldsbrough Mort and.

3—the charge for tax of £5.17m in relation to profits of £4.07m is excessive due mainly to no tax relief for UK losses being available against overseas profits. Tax in the previous year was £4.16m.

Net profits emerged at £3.66m (£3.87m) but there was a loss per 25p share of 11.4p (17.4p earnings) before extraordinary items, and earnings of 14.7p (15.6p) after.

SHARE STAKES

Baraoora Tea Holdings—Jazerite Holdings and its subsidiaries now owns less than 5 per cent of the issued capital.

The Appleyard Group of Companies—Mr Ian Appleyard, chairman, has sold 100,000 ordinary. A trust, of which Mr Appleyard is a trustee (no beneficial interest), sold 47,933 ordinary.

BIDS AND DEALS

Brooke Bond sells German subsidiary

Brooke Bond Liebig, the international tea and food producer, is selling its loss-making German subsidiary, Jokisch, and abandoning its plans to expand in West Germany.

Pillsbury, the U.S. food company which operates the Burger King fast food chain, has agreed to pay £2m for Jokisch, which makes canned soups. Based in Preetz, Jokisch has annual sales of around £10m. Brooke Bond said Jokisch "made a loss last year and may currently not be particularly profitable," but was unwilling to give exact figures.

Brooke Bond said originally it had planned to use Jokisch as a platform for further expansion in West Germany but the right opportunities at suitable prices had not arisen.

Pillsbury's German subsidiary, Pillsbury of Lübeck, will take over Jokisch. Pillsbury manufactures and sells dish-ready meals and soups in Germany under the Erasco label. Erasco claims to be the West German market leader in canned dish-ready meals.

For the year to June 30 Brooke Bond made a pre-tax profit of £41.75m, including a first time contribution of £4.9m from Mallinson-Denny, as against £38.02m in the comparable period.

Pillsbury's most recent figures, for the three months to August 31 showed a 13 per cent decline to $25m (£13.9m) despite sales up 3 per cent. For the year to May 31 1981 Pillsbury made profits of U.S.$119.6m (£66.4m) as against profits of $104.7m (£58.2m).

Private group in £30,000 bid for Mowat

Mr Ernest Kearns, chairman of Bruitbind Holdings, a private Manchester-based group with engineering and property interests, has made a £30,000 bid for all 1m shares of William Mowat and Sons, a property company whose listing was temporarily suspended by the Stock Exchange on December 24 1979.

The offer is 3p cash per share subject to minimum acceptances of 51 per cent of the shares. No shares are owned or controlled by Mr Kearns.

Mr Richard Hargreaves, a partner for John Siddall and Son, Manchester stockbrokers, said yesterday that the bid is likely to be contested by Mowat.

The last balance sheet, published in 1979, showed net tangible assets of 5.5p per share, but the reports were qualified by the company's auditors. The company's exit share price was 20p.

Mitchell Cotts buying minority

Mitchell Cotts Group, the transport and engineering company, is to buy out the minority interests in its South African subsidiary, **Mitchell Cotts Limited**.

The company has agreed with the independent directors of Mitchell Cotts to acquire the outstanding 28.5 per cent shareholding in its South African subsidiary for £8.7m. MCG will finance the deal by the placing of 12m new shares at 43p and a medium-term loan from Samuel Montagu, the group's financial adviser.

Mr P. Dunkley, MCG executive chairman, said the company had been considering buying out this minority for about three years. Increasing specialisation by group companies had placed greater stress on the pooling of the group's resources worldwide, he added.

The impact of the deal on the MCG balance sheet would be "to much improve the gearing ratio," said Mr Dunkley. Net assets per share will fall by a few pence to 88p.

Mr Dunkley said the 12m shares were placed within an hour at 43p by brokers, Cazenove and Co. MCG shares remained at 46½p in the market despite the placing of the equivalent of 17 per cent of the enlarged capital.

The proposals are subject to approval of MCG shareholders at a meeting on December 3. In addition, approval is needed from the minority holders in South Africa, which is expected to be given on December 22. The transaction should be completed on December 28.

MCG made a pre-tax profit of £9.1m on a turnover of £363m in the year to June 30 1981 compared to a profit of £9m on a turnover of £294m in the previous year. Mr Dunkley said: "It is not easy to give a confident forecast of the likely outcome for the year to June 30 1982. The companies throughout the organisation are budgeted for increased profits and there is every indication that its main activities will continue to expand."

Mr Dunkley emphasised that "there will be no change in the Mitchell Cotts policy of maintaining a strong element of South African financial participation in its operations." In future, he said, this would be achieved by "joint ventures" and "where appropriate, South African investment at the level of Mitchell Cotts subsidiaries."

Results due next week

The market is expecting a very solid gain from **J. Sainsbury**, which reports interim figures on Wednesday, if not quite of the order of the heady profits growth in the last two years. Analysts are looking for £36m to £40m in the half year ended September 15, against £30.8m last time. Volume growth has continued and the company has managed to improve its share in a stagnant market thanks to its larger supermarkets and emphasis on fresh foods. Net margins have probably slipped somewhat from the 4 per cent recorded at the end of last year as wage costs have climbed. The share price has hardened in the last few days and the market is expecting a dividend increase in line with profits growth. For the full-year, analysts predict £73m to £76m before tax but after profit-sharing, against £62.1m last year. The total dividend is expected to fall in the 8.6p to 8.8p range against 7.25p last time.

Second quarter figures due from **Reed International** on Tuesday are thought likely to mark only a slight improvement on 1980's £15.2m. Analysts are looking for about £17m, regarded as quite satisfactory considering the continued low level of demand for packaging and for newspaper advertising (particularly classified). Disputes at Odhams are said to have been very expensive, and there may be rationalisation before long in Reed's printing interests as well as in the decorative products division. In the second half of the year, there could be some diminution in overseas earnings; a weakening in the U.S. newsprint market is expected to reduce the profitability of Canadian producers. With around £40m under its belt at the half-way stage, Reed is set to exceed last year's pre-tax profit of £50.4m by some margin.

In the first half of 1980-81, **Bank of Ireland** had difficulties with bad debts and found it could not fully recover substantially increased staff costs. Profits bounced back in the second half, however, taking the historic pre-tax profit from IR£19.9m to IR£52.7m by the year-end. Funding may have become more expensive in the current year, particularly since Bank of Ireland has had to rely more heavily on the interbank market. But first half profits should demonstrate that the bank is on course for something in the region of IR£60m. Thursday's interim profit is expected to be close to IR£28m.

Tricentrol's third quarter results, due this Wednesday, will reflect the production dips from the Thistle field in the quarter. The oil price cut has been balanced by the fall in sterling, so the market is expecting net income of around £3m to £3.5m against £3.4m last time for the three months ending September 30. For the full year, the market is looking for about £15m against £14.1m. The gross dividend is expected to rise 2p in the year to 14p.

Others to report next week include **Martonair** (preliminary, Tuesday), **Tozer Kemsley and Millbourn** (interim, Tuesday), **Capper Neill** (interim, Thursday), and a brace of TV companies, **Grampian** and **Ulster**, whose respective interim and preliminary announcements are both down for Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Burndene Investments	Thursday	0.25	—	—
Greencoat Properties	Monday	—	Nil	—
Harman Smith	Friday	0.16667	0.2	0.2
Majedie Investments	Monday	—	2.25	—
Martonair International	Tuesday	1.95	5.65	1.95
North British Properties	Wednesday	1.0	1.8	1.1
Safeguard Industrial Investments	Wednesday	1.8	4.0	1.8
Singapore Para Rubber Estates	Tuesday	—	0.5	—
Town Centre Securities	Friday	—	0.83333	—
Titaghur Jute Factory	Tuesday	—	Nil	—
Tyzack (W. A.)	Wednesday	0.5	1.284	—
Ulster Television	Friday	2.6	2.6	3.0
Wemyss Investment	Thursday	7.0	12.0	7.0
Yarrow	Monday	2.5	5.65	2.5
INTERIM DIVIDENDS				
Airflow Streamlines	Tuesday	1.1525	1.5125	
Bank of Ireland	Thursday	11.5‡	10.5¶	
Boot (Henry) and Sons	Thursday	3.0	10.0	
British Investment Trust	Thursday	4.0	4.85	
Clement Clarke	Tuesday	1.1525	1.5125	
Capper Neill	Thursday	2.1	2.1	
Continental and Industrial Trust	Tuesday	3.5	7.5	
Eva Industries	Friday	—	1.0	
Ellis and Goldstein (Holdings)	Tuesday	0.85	1.3	
Fedder Agricultural Industries	Wednesday	0.65	0.45	
Fortnum and Mason	Friday	3.5	19.72	
Greig Shipping	Monday	10.0	15.0	
Grampian Television	Friday	1.0	1.75	
Great Portland Estates	Tuesday	0.83333	3.33333	
Guardian Investment Trust	Thursday	1.5	3.2	
Hambros Investment Trust	Thursday	1.0	2.0	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Hammerson Property and Invest. Trust	Thursday	2.5	6.5	
Hartwells Group	Tuesday	1.789	3.578	
London Trust	Wednesday	1.25	2.25	
Millets Leisure Shops	Thursday	2.95	4.0	
Mountview Estates	Wednesday	0.7	2.2	
Panto (P.)	Wednesday	—	—	
Reed International	Tuesday	4.0	9.0	
Roberts Adlard	Tuesday	2.0	6.0	
Ropner Holdings	Monday	2.5	4.0	
Sainsbury (J.)	Wednesday	2.25	5.0	
Scotcross	Tuesday	2.1215	3.3875	
Scottish Ontario Investments	Friday	1.0	2.15	
Sheffield Brick Group	Wednesday	0.75	1.0	
Sketchley	Tuesday	2.8	6.2	
Tozer Kemsley & Millbourn (Holdings)	Tuesday	1.59	0.795	
Usher Walker	Wednesday	1.28	2.78	
Wace Group	Thursday	0.72	0.72	
INTERIM FIGURES				
Audiotronic Holdings	Monday			
Caird (A.) and Sons	Monday			
Edinburgh General	Wednesday			
Fidelity Radio	Wednesday			
Hampton Trust	Tuesday			
Marlborough Property Holdings	Monday			
Scottish United Investors	Friday†			
Tricentrol	Wednesday†			
Tysons (Contractors)	Monday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Third-quarter figures. ‡ Includes a second interim dividend of 3.5p. ¶ Special dividend in respect of year ended March 31, 1978, paid out of undistributed profits of that year.

هكذا من الأحل

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Battery manufacturers **Berec**, already in receipt of an offer from Hanson Trust which was due to close today, received a counter-bid from multi-faceted industrial combine Thomas Tilling. The share-exchange terms of one Tilling for one Berec value the later at around £89m. Berec, which has had a series of acrimonious exchanges with Hanson, welcomed the last-minute move by Tilling.

On Wednesday, George Oliver (Footwear), which a month ago agreed merger terms with the company, made a 160p per share cash bid for **Hiltons Footwear**, valuing the latter at £9.82m. Along with market purchases and the Hiltons' family shares, Oliver effectively controlled 70.92 per cent of Hiltons by Wednesday night. Ward White, which on Tuesday intimated a conditional 160p per share cash bid for Hiltons, immediately sold its 18.3 per cent stake in the company to Oliver.

Courtaulds Pension Fund launched a £16m bid for **Grange Trust**, a little more than a month after the trust's investment management changed hands. CPF, which already owned a 29.9 per cent stake in Grange, bought a further 2.5 per cent in the market and launched an offer for the remaining shares. It immediately won acceptance from holders of a further 10.5 per cent. CPF has committed itself to a minimum cash offer of 146p per Grange share, which equates with the current net asset value and compares with a market price of 127p prior to the bid. However, if the market improves, CPF will increase its bid in line with the increase in net asset value to a maximum of 160p per share.

Benson Shoe, a private concern, is making an agreed bid for **J. W. Wassall**, the loss-making shoe retailers. Benson is offering 29p cash for each Wassall ordinary and 18½p cash for each deferred ordinary, valuing the company at £0.42m.

Dealings in publishing and advertising group **Pyramid** were suspended on Thursday at 50p after the company revealed that it was involved in talks which may result in an offer for the group.

Longmans, a subsidiary of Pearson Longman, paid approximately £2.2m for Solicitors Law Stationery's loss-making subsidiary Oyez Publishing.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
Allen Harvey & Ross	275	265	247	7.28	Cater Ryder
Arbuthnot Lthm.	320*	312	305††	23.86	Dow Scandia Banking Corpn.
Berec	105†§	130	94	59.65	Hanson Trust
Berec	133	130	116	88.79	Tilling (T.)
Blantyre Tea	69*	91½	69	0.80	Eastern Produce
Braham Millar	24*	25	23	3.02	Fieldwood
Brown Bros.	30*	27½	25	4.26	Dana Corp.
Caird (Dundee)	15*	15	13††	0.42	New Venture Carpets
Durapipe¶¶	40*	39	25	3.95	Glynwed
Elliott P'b'ro	57	42	42	7.52	Jenks & Cattell
Gaunt (Rowland)	25*§‡	33	22	0.05	Queensway Secs.
Grange Trust	146*§★	148	127	9.84	Courtaulds Pensn. Fund
Hallite Hldgs.	200*	216	195	4.30	Gen. Tire & R. SA
Hiltons Footwear	160*	156	144††	9.82	George Oliver (Footwear)
Hoveringham Group Ord.	226*	216	89††	24.28	Tarmac
Hoveringham Group R.V.	196*	184	77††	15.80	Tarmac
Howden (Alex.)	166	144	142	150.98	Alexander and Alexander Srvs.
Linfood Hldgs.	183§	169	152	16.57	Argyll Foods
MDW Hldgs.	123§§	118	82††	8.30	FJC Lilley
Provident Life	340*§	335	222	16.18	Winterthur Swiss
RCF¶¶	24*§	24	18	1.94	Bardsey
Scot. Ceylon Tea	22*		28	0.20	David Home Secs.
Serck	60*	57	36	25.52	BTR
Warren Plants.	240½*§	241	190	21.60	McLeod Russel
Wassall (J. W.)	29*	33	31	0.31	Benson Shoe

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on October 30 1981. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ★ Minimum cash offer.

Rights Issue

Brown and Jackson—Is raising £1.33m by way of a rights issue on the basis of one for two at 20p per share.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Advance Services	June	2,200	(2,230)	1.0	(0.7)
Aitken Hume	Sept	285	(60)	1.65	(1.5)
Allebone & Sons	•July	282L	(119)L	—	(—)
Allied Plant	June	252	(562)	—‡	(0.84)
Bambers Stores	Aug	1,480	(1,120)	0.8	(0.65)
Bishopsgate Tst.	Sept	851	(825)	1.2	(1.17)‖
Border Breweries	Aug	508	(474)	1.4	(1.3)
Boosey & Hawkes	June	259	(60)	1.9	(1.9)
BSG Intl.	June	514	(440)L	0.1	(—)
Callender (G. M.)	June	292	(609)	0.7	(0.7)
Central & Shrwd.	June	128L	(1,300)	0.5	(0.75)
Chesterfld. Props.	June	1,990	(1,510)	3.0	(2.5)
Clayton & Son	June	181L	(271)	0.93	(1.4)
Coates Brothers	June	3,060	(4,310)	0.88	(0.88)
Coats Patons	June	28,150	(26,680)	1.4	(1.4)
Dualvest	Sept	537	(520)	3.79	(3.68)
Duport	July	579L	(4,470)L	—	(—)
English & Intl.	Oct	584	(575)	1.5	(1.5)
English National	Sept	102	(118)	1.05b	(1.05)b
Feb Intl.	June	429	(354)	0.75	(0.67)‖
Gallaher	Sept	54,700d	(66,200)d	—	(—)
Harrisns. & Crsfld.	June	20,020	(26,470)	7.5	(7.5)
Hawtin	July	122L	(229)	—	(—)
Headlam Sims	July	225	(202)	1.4	(1.1)
Henderson (P.C.)	Aug	1,110	(938)	2.75	(2.25)
Hopkinsons Hldgs.	July	1,660	(94)L	1.5	(1.5)
Hunting Assoc.	June	2,210	(1,760)	2.5	(2.5)
ICI	Sept	221,000d	(277,000)d	—	(—)
Jackson Group	June	375	(365)	2.1	(2.1)
Laughton & Sons	June	283	(255)	6.0	(—)
Lndn. & Northern	June	3,260	(4,210)	1.4	(1.4)
Mettoy	Sept	1,620†L	(2,170)	—	(—)
Miller (F.)	Aug	909	(849)	1.0	(0.9)
Modern Engns.	June	229L	(130)	1.0	(1.0)
Ports Newspapers	Sept	1,310	(1,300)	1.0	(1.0)
Press (William)	June	2,140	(3,210)	1.32	(0.6)
Rchrdsns. Wstgth.	June	994L	(412)	0.75	(1.05)
Runciman (Wltr.)	June	1,180	(1,310)	2.5	(2.5)
Sinclair (Wm.)	June	458	(27)	4.0	(3.75)
Spear (J. W.)	June	115L	(470)	2.5	(3.0)
St Georges Grp.	Aug	117	(94)	1.0	(0.85)
Time Products	July	265	(1,370)	0.45	(0.45)
United Ceramic	June	100	(217)	1.0	(—)
Upton (E.)	Aug	81L	(108)L	—	(0.5)
Viking Resources	Sept	291	(243)	0.4	(0.4)
W. Brom. Spring	June	35	(220)	—	(—)
Weeks Associates	Aug	32	(116)L	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends shown net except where otherwise stated. † For 36 weeks. ‡ Consideration of dividend payment deferred until year end. ¶ After tax credit. ‖ Equivalent after allowing for scrip issue. a Includes a special dividend of 0.5p. b On preferred ordinary shares. c For 18 months. d For nine months.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Anvil Petrlm.	June	114	(22)	—	(0.1)	—	(—)
Attwood Garages	July	427‖L	(73)	—	(1.18)	0.5‖	(1.45)
Bailey (Ben)	June	86	(339)	1.7	(6.5)	1.0	(1.44)
BCA	July	2,910	(2,613)	7.25	(6.05)	3.5	(2.76)c
Border & Sthrn.	Sept	2,920	(2,910)	2.9	(2.9)	2.75	(2.6)
Brooke Bd. Liebig	June	41,750	(38,020)	7.8	(7.9)	3.91	(3.91)
Burgess Products	Aug	833	(1,240)	16.8	(18.5)	3.5	(4.0)
Gomme Hldgs.	July	1,950L	(1,660)	—	(14.3)	—	(0.89)
Highland Distlrs.	Aug	5,060	(5,820)	7.1	(8.4)	2.6	(2.6)
Highland Elctncs.	Apr	479L	(369)	4.3¶	(2.0)	0.5	(1.0)
Leaderflush	Mar	60	(175)	2.8	(4.7)	—	(—)
Lndn. & Prv. Shop	June	654	(488)	4.4	(3.7)	2.4	(2.0)
Nth. Atlantic Secs.	Sept	1,388	(1,337)	166.5	(159.8)	4.5	(4.3)a
Simpson (S.)	July	159L	(1,040)	14.7	(10.0)	3.0	(4.26)
Smart (J.)	July	1,520	(1,390)	6.3	(6.8)	3.6	(3.16)
Thames Inv.	May	327	(134)	12.5	(9.2)	2.5	(—)

Offers for sale, placings and introductions

American Natural Resources—Has applied to the London Stock Exchange for a listing of 24.9m shares of common stock, at par value of $1 per share.

Humberside Electronic Controls—Is coming to the unlisted securities market by way of a placing of 1.5m ordinary 10p shares at 10½p per share.

BASE LENDING RATES

A.B.N. Bank	15½%	■ Guinness Mahon	15½%
Allied Irish Bank	15½%	■ Hambros Bank	15½%
American Express Bk.	15½%	Heritable & Gen. Trust	15½%
Amro Bank	15½%	■ Hill Samuel	§15½%
Henry Ansbacher	15½%	C. Hoare & Co.	†15½%
■ Arbuthnot Latham	15½%	Hongkong & Shanghai	15½%
Associates Cap. Corp.	16%	Knowsley & Co. Ltd.	16½%
Banco de Bilbao	15½%	Langris Trust Ltd.	16%
BCCI	16%	Lloyds Bank	15½%
Bank of Cyprus	15½%	Mallinhall Limited	15½%
Bank of N.S.W.	16%	Edward Manson & Co.	17%
Banque Belge Ltd.	16%	Midland Bank	15½%
Banque du Rhone et de la Tamise S.A.	16%	■ Samuel Montagu	15½%
Barclays Bank	15½%	■ Morgan Grenfell	16%
Beneficial Trust Ltd.	16½%	National Westminster	15½%
Bremar Holdings Ltd.	16½%	Norwich General Trust	15½%
Bristol & West Invest.	17%	P. S. Refson & Co.	15½%
Brit. Bank of Mid. East	15½%	Roxburghe G'tee Cpn.	16%
■ Brown Shipley	16%	E. S. Schwab	16%
Canada Perm't Trust	16%	Slavenburg's Bank	15½%
Cayzer Ltd.	16%	Standard Chartered	‖15½%
Cedar Holdings	16%	Trade Dev. Bank	15½%
■ Charterhouse Japhet	16%	Trustee Savings Bank	15%
Choulartons	16%	TCB Ltd.	15½%
Citibank Savings	¶15%	United Bank of Kuwait	15½%
Clydesdale Bank	15½%	Whiteaway Laidlaw	16%
C. E. Coates	16%	Williams & Glyn's	15½%
Consolidated Credits	16%	Wintrust Secs. Ltd.	15½%
Co-operative Bank	*15½%	Yorkshire Bank	15½%
Corinthian Secs.	15½%		
The Cyprus Popular Bk.	15½%		
Duncan Lawrie	15½%		
Eagil Trust	15½%		
E. T. Trust Limited	16%		
First Nat. Fin. Corp.	17%		
First Nat. Secs. Ltd.	17%		
Robert Fraser	16%		
Antony Gibbs	15½%		
Grindlays Bank	‡15½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%. 1-month 14.25%. Short term £8,000/12 months 16.66%.
† 7-day deposits on sums of £10,000 and under 13½%, up to £50,000 14% and over £50,000 14½%.
‡ Call deposits £1,000 and over 13½%.
§ Demand deposits 14%.
‖ 21-day deposits over £1,000 15%.
¶ Mortgage base rate.

LONDON TRADED OPTIONS

Oct. 30. Total Contracts 1331. Calls 1123. Puts 208.

Option	Ex'rcise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP (c)	280	34	10	40	10	—	—	298p
BP (c)	300	20	26	32	11	42	1	"
BP (c)	330	—	—	19	1	30	2	"
BP (p)	280	11	—	19	1	—	—	"
BP (p)	300	19	1	28	—	34	1	"
BP (p)	330	—	—	44	35	52	—	"
CU (c)	140	8	—	13	—	17	2	129p
Cons. Gld (c)	600	27	—	45	2	63	—	483p
Court'lds (c)	50	6	70	9	75	12½	—	50p
GEC (c)	650	75	2	100	—	125	—	682p
GEC (c)	700	40	11	70	—	90	—	"
GEC (c)	750	22	3	47	—	—	—	"
GEC (c)	800	10	—	27	2	—	—	"
Gr'd Met. (c)	160	14	10	19	—	22	—	163p
ICI (c)	240	43	33	50	—	60	—	270p
ICI (c)	260	24	17	36	7	46	29	"
ICI (c)	280	13	53	22	37	—	—	"
ICI (c)	300	7	18	13	64	—	—	"
ICI (p)	260	12	25	16	—	20	—	"
ICI (p)	280	19	30	26	—	—	—	"
Shell (c)	360	32	10	46	—	58	—	366p
Shell (c)	390	12	34	24	—	38	—	"
Shell (c)	420	6	50	10	50	—	—	"
Shell (p)	360	13	6	16	1	19	—	"
Shell (p)	390	28	—	32	20	36	5	"
		November		February		May		
Imperial (c)	60	2½	16	5	—	5½	—	58p
Lasmo (c)	500	10	—	39	7	57	—	474p
Lasmo (c)	600	4	20	18	—	25	—	"
Lasmo (c)	650	1¼	20	10	—	—	—	"
Lasmo (c)	700	1	1	—	—	—	—	"
Lonrho (c)	70	7	—	10½	23	12	37	75p
Lonrho (c)	80	1½	—	5½	32	7½	63	"
Lonrho (c)	90	1	—	3	40	4½	—	"
Lonrho (p)	70	2	—	4½	6	5½	—	"
P & O (c)	100	3½	10	9	60	12½	—	102p
P & O (c)	110	1	—	5	60	7	—	"
Racal (c)	360	28	2	45	—	57	—	376p
Racal (c)	390	12	10	28	5	40	—	"
Racal (p)	330	3	14	10	—	—	—	"
Racal (p)	360	10	—	22	—	28	16	"
Racal (p)	390	23	13	33	11	42	1	"
Racal (p)	420	48	9	50	—	55	—	"
RTZ (c)	450	14	2	40	—	54	—	444p
RTZ (c)	550	3	5	18	—	30	—	"
RTZ (p)	420	6	—	13	—	18	3	"
Vaal Rfs. (c)	60	3	2	8	—	9½	—	$61

C=Call P=Put

Linread's second half come-back

A FALL from £297,000 to £79,000 in pre-tax profits is reported by Linread, manufacturer of cold forged fasteners, for the year to August 1 1981. At the halfway stage, the group reported losses of £242,000 compared with profits of £122,000. The second half produced profits of £321,000.

The year-end figure is taken after exceptional costs of £78,000 (£89,000), but before extraordinary costs of £232,000, primarily resulting from the closure costs of the Washington factory and re-structuring of its manufacturing operations.

Turnover was down from £18.21m to £16.77m.

The directors say that while the result is far from adequate, the fact that a reduction in turnover of £1.44m has only resulted in a reduction in profit of £218,000 shows the benefit of re-organisation and cut backs taken over the past 15 months. They say tha tmany of the actions taken have still to give a full year's benefit. The final dividend is maintained at 1p, which will be the total. No interim (1p) was paid.

Costs have been provided in 1981 for redundancies effective in September after the year end.

The pre-tax figure was struck after depreciation and amortisation costs of £450,000 (£441,000) and interest charges of £425,000 (£426,000).

The directors say it is impossible at this stage to give any firm indication of the prospects for 1982. The aircraft products division, Linread-Fabco, and the German subsidiary, Albert Pasvahl, achieved good profits, and while the markets they operate in are becoming more difficult, will continue to give adequate returns.

The activities dealing principally with UK manufacturing industries will remain depressed until there is an up-turn in the economy. At present there is no sign of any improvement; the best that can be said is that since the Spring of 1981, customer requirements appear to have stabilised.

There was a tax charge of £39,000 (£155,000 credit), and after minorities of £62,000 (£77,000), group losses were £22,000 (£375,000 profit). Dividends absorb £40,000 (£68,000), leaving extraordinary losses less profits and less tax not included above, of £232,000. There was a loss per 25p share of 0.41p, adjusted for scrip issues, compared with earnings of 6.99p.

On a CCA basis, there was a pre-tax loss of £92,000.

Lossmakers hit British Dredging

THREE loss-making subsidiaries of the **British Dredging Company** have been closed or sold since the end of the half-year to June 30, 1981. The group overall incurred pre-tax losses for the period of £104,000, against profits of £78,000 in the corresponding period last year. No interim dividend is again being paid—the last payment was 0.3p in 1976.

The directors say that were it not for these operations, the group would have made a profit for its other businesses performed satisfactorily.

Turnover of this holding company which manages dredgers of sand and gravel, is a supplier of ready mixed concrete and has interests in building systems and building and structural engineering, was down from £5.95m to £4.76m.

The directors say that, as anticipated, trading conditions in the building industry have shown a further deterioration in the first half and have inevitably reduced demand. Adverse factors include a loss of £130,000 in Channel Construction and Channel Joinery, which have since been closed, and a loss of £62,000 in the ready mixed concrete business, the assets of which were sold on October 5 for £337,500 (compared with a book value of £129,258).

While there are no signs yet of an improvement in the trading climate, the second half will benefit not only from the elimination of the loss-making companies, but also from a significant reduction in the interest payable following the recent rights issue.

APPOINTMENTS

New Towns Commission chairman

The Environment Secretary has appointed Sir Neil Shields as chairman of the COMMISSION FOR THE NEW TOWNS to succeed Mr Colin Macpherson whose appointment expires on March 31.

Sir Neil becomes a member of the Commission on November 30 and takes over as chairman on April 1. He is a management consultant and company director.

★

TV-AM, the breakfast television channel due to go on the air in 1983, has appointed Mr Michael Deakin as director of programmes. An original founder of the TV-AM team, Deakin has won numerous awards for his previous work at Yorkshire Television — including an American Emmy in 1979 for "Rampton—the secret hospital." He was already director of features at TV-AM — a post equal with that of director of programmes. In his new position he will have full and sole responsibility for the station's programme output.

★

Mr Richard A. Templeman has ben elected a director of THE MOORSIDE TRUST.

★

PIONEER HIGH FIDELITY (GB) has appointed Mr Setsujiro Onami as managing director. He succeeds Mr Kaneo Ito, who continues as chairman of the company as well as becoming president of Pioneer Electronic (Europe) NV. Mr Onami has been with the Pioneer company

Mr Setsujiro Onami

since 1972 and joins the UK company from Tokyo where he was general manager of the international division's general audio marketing department. Mr Ito will still be closely involved with the UK company and will continue to be based in England. He will be responsible for all of the Pioneer Corporation's activity in Europe.

Mr Geoffrey Clifford Evans has been appointed (from April 1) a regional director of the Central London regional board of LLOYDS BANK. He retired in September as a joint general manager of the Bank after 42 years' service.

★

BOSTIK has appointed two directors: Mr N. Wayne Etter is president of the Emhart Chemical Group, of which Bostik is a member, and a vice president of the Emhart Corporation, Hartford, Connecticut, U.S.; and Mr David Whitewood becomes financial director. He was financial controller of Bostik.

★

Mr John Edward Bardwell and Mr Hugo Schreiber have joined the board of BOOSEY AND HAWKES. Mr Bardwell has been appointed group finance director, having been previously group finance director of Caravans International. Mr Schreiber is also chief executive of Buffet Crampon International, which was recently acquired by Boosey and Hawkes.

THE TRING HALL USM INDEX

110.3 (+0.5)

close of business 30/10/81

BASE RATE 10/11/80 100

Tel: 01-638 1591

CORAL INDEX

Close 464-469 (+1)

Nimslo sees $156m by 1985

Nimslo International, the company which now owns all the worldwide rights to the Nimslo 3-D photographic system, is projecting a pre-tax profit of $156m in 1985.

This figure comes in a prospectus relating to the issue of 7.5m shares of Nimslo at $4.25 a share. The issue, which has now been underwritten, is accompanied by an offer from Nimslo International for the share capital of Nimslo European Holdings, a UK registered company which has certain rights to the Nimslo system.

The prospectus states that the group expects to achieve national distribution in the U.S. by the end of 1982. Test marketing of the portrait and school photography system is planned for late 1982, with market entry by mid-1983.

Entry into the European amateur markets is tentatively scheduled for mid-1982.

The project has taken longer than expected to get into operation. Nimslo has "experienced significant unforeseen obstacles to completion of several of the basic design objectives." These problems surfaced in a number of design and development areas in the amateur system, but the major obstacles have now been overcome.

Research data indicates a potential market share in the U.S. of around 8 per cent during the first year, for a 3-D camera priced at $200.

The pro forma balance sheet of Nimslo International after the issue and the offer is shown at $65m. Apart from cash, the main asset is an investment of $22m in technical information and design.

Return to profits by Caparo

Caparo Industries, formerly LK Industrial Investments, has returned to profit and is also resuming dividend payments. For the first half of 1981 a pre-tax surplus of £115,000 is reported. This compares with heavy 1980 losses by both Caparo and Central Manufacturing and Trading, acquired on April 1 and results of which have been included for the three months from that date.

The directors state that the combined pre-tax losses of CMT and LK in their last individual annual accounts totalled £941,000 before considerable extraordinary losses.

They say the first half result is only the beginning of the company's recovery and there is much that remains to be done to improve the results, despite the poor trading climate.

An improvement in demand will help but the company is not solely dependent on it to start making better returns on capital employed.

Trading results for the remaining six months of the year are expected to show a better rate of profitability than in the initial three-six month period.

In view of the return to profitability and the continued improvement expected, an interim dividend of 0.5p net (nil) is to be paid. The last payment was an interim of 1.5p in 1979.

The company also expect to pay a final of a similar amount to the interim if current profit projections for the remainder of 1981 are achieved.

The directors also see the possibility for a further reduction in borrowings.

The company, subject to shareholders approval, has agreed to sell its subsidiary Airborne Industries to the management of that company for £337,000, which represents an excess of £66,000 over net asset value.

Earnings per share are stated at 5.42p (0.35p loss). The company is 60 per cent owned by Mr Swraj Paul's private company Cararo Group.

Canada Life's new pension plans

Canada Life Assurance Company is entering the self-employed and executive pensions field with a comprehensive range of unit-linked plans for both types of contracts.

The company is also establishing a team of pension specialists to service insurance brokers, pension consultants and other professional intermediaries as well as backing up its own field force. Like most UK life companies with a Canadian parent company, Canada Life has marketed its life and savings products directly through its own sales force.

The pension products come in both regular contribution form—the Personal Pension Builder for the self-employed and the Executive Pension Plan for directors and executives—and single premium contributions with the Personal Pension and Executive Pension Bonds. Life cover is provided through the Personal or Executive Term Policy.

The policies incorporate the latest developments in pension policy design to provide maximum flexibility in payment of contributions and benefits. Linking can be made to five funds—general unit trust, income unit trust, property, index-linked and managed. Or the investment can be made in a guaranteed deposit fund.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1980-81 High	1980-81 Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
114	100	ABI Hldgs. 10pc CULS	108	−1	10.0	9.3	—	—
76	38	Airsprung	67	—	4.7	7.0	10.6	14.7
52	21	Armitage and Rhodes	43	—	4.3	10.0	3.6	8.1
200	92½	Bardon Hill	192	−1	8.7	5.1	9.3	11.4
104	88	Deborah Services	97	—	5.5	5.7	4.8	9.1
126	88	Frank Horsell	116	—	6.4	5.5	10.5	25.2
110	39	Frederick Parker	58	—	1.7	2.9	25.7	—
110	49	George Blair	49	—	—	—	—	—
102	93	IPC	95	—	7.3	7.6	6.9	10.4
113	59	Jackson Group	98	+1	7.0	7.1	3.1	7.0
130	103	James Burrough	108	—	8.7	8.1	7.9	9.9
334	244	Robert Jenkins	290	+2	31.3	10.8	4.0	10.2
59	50	Scruttons "A"	54	—	5.3	9.8	8.3	7.7
224	187	Torday	187	—	15.1	8.1	7.2	12.4
23	8	Twinlock Ord.	14	—	—	—	—	—
90	69	Twinlock 15pc ULS	77	−1	15.0	19.5	—	—
98	33	Unilock Holdings	34	—	3.0	8.8	6.1	10.3
103	81	Walter Alexander	84	—	6.4	7.6	5.5	9.8
263	181	W. S. Yeates	225	−1	13.1	5.1	4.3	8.7

SPAIN October 30	Price %	+ or −
Banco Bilbao	330	+6
Banco Central	324	+12
Banco Exterior	308	+8
Banco Hispano	315	+15
Banco Ind. Cat.	117	
Banco Santander	384	+5
Banco Urquijo	213	+3
Banco Vizcaya	352	+8
Banco Zaragoza	216	
Dragados	148	+7
Espanola Zinc	70	
Fecsa	70.2	+1.5
Gal. Preciados	39	
Hidrola	79.2	+2.5
Iberduero	60	+2.3
Petroleos	106	+6
Petroliber	82	
Sogefisa	51	
Telefonica	79.2	+1.2
Union Elect.	75	+2

S. Miller £188,000 in the red

FOR THE first half of 1981 **Stanley Miller Holdings**, building contractor and civil engineer, has suffered pre-tax losses of £188,246, compared with a £5,746 profit, and the interim dividend is omitted.

Results from the third quarter, however, indicate that the group's current trading shows improvement.

For the whole of last year the pre-tax figure was a £59,985 surplus with an interim of 0.6p followed by a 0.8p final distribution.

During the first half margins became "abysmally low" and consequently could not sustain a couple of particularly sour contracts, the directors state, and overseas profits were not sufficient to materially affect the overall position.

Turnover increased from £7.43m to £8.38m and the pre-tax loss included associate's profit of £25,665 (£4,431 loss).

There was no tax (£3,000) and after minorities of £1,603 (£3,894 credit) the attributable loss was £189,849 against a £6,640 profit.

Improvement seen for FII subsidiary

Mr M. Sumray, the chairman of **Footwear Industry Investments**, tells members in his annual report that the Fiona Footwear subsidiary should achieve even better results in the current year than for 1980-1981.

He says the company has a full order book for some time ahead and is increasing productivity.

The chairman warns, however, that unless there is a real upturn in trade for customers in the merchanting companies sales in that area will be lower, in which case merchanting is not expected to produce, in total, a contribution higher than for the past year.

It is pointed out that any property disposals can only improve the company's position—it is hoped some may occur in the current year. Mr Sumray says the group has strong cash balances and is seeking worthwhile acquisition. Meanwhile, these resources "provide a significant benefit when interest rates are high."

He comments that in an economy which is having drastic effects and is still showing little sign of advance any forecast must be tempered with caution. So far, he says, the group has managed to ride out the recession with some success and it is reasonable to expect that when trade conditions do improve it should be able to benefit further.

Profit jump for Highgate Optical

FIRST-HALF taxable profits for 1981 of the **Highgate Optical and Industrial Company** leapt from £3,372 to £10,686, on turnover £254,451 higher at £1.13m.

The interim dividend of this optical and photographic equipment distributor is again being missed—the last interim was paid in 1977 and no distribution was made in respect of 1980.

The directors say the company has contracted to sell its photographic stock together with the trade name Dufay to Enterprise International. The proceeds will be about £180,000 and will lead to the company having a strong liquidity position by the end of the year.

They also say that the provision of £48,500 made in the 1980 accounts against the spectacle frame stocks and qualified by the auditors has proved to be adequate.

Tax took £6,883 (£1,349) and there were extraordinary and prior year credits of £8,000 (£16,673).

At December 31 1980, the group's ultimate holding company was Bayfine. Following a demerger on May 1 1981 there is no ultimate holding company and the group is no longer a close company in the opinion of the directors.

Jenners back into profit at halfway

For the half year ended July 31 1981, **Jenners Princes Street Edinburgh** has come back into the black with £40,000 taxable profits, compared with losses of £30,000. Turnover of this department store increased from £3.98m to £4.33m.

The directors say results would have been substantially better but for increased charges imposed by nationalised service industries and local government. They add, however, that many costs, within the company's control, have been contained.

Sales in the second half are encouraging so far, and if these can be maintained directors believe that the year-end results should be acceptable.

To reduce disparity, the interim dividend is lifted from 3p to 4p net per £1 share.

Pre-tax figure included other income of £160,000, against £161,000, the tax charge taking £21,000 (£16,000 credit).

WORLD STOCK MARKETS

Wall St firm on rate hopes

STOCKS WERE narrowly higher on Wall Street yesterday, with investors waiting to see if there would be any further cuts in interest rates.

By 1 pm the Dow Jones Industrial Average was up 5.90 to 838.85, for a net rise of 0.86 on the week, while the NYSE All Common Index, at $69.74, rose 65 cents on the day and 91 cents on the week. Advances edged out declines by a seven-to-six majority in a volume of 36.12m shares.

Thursday, **Continental Illinois** cut its Prime Rate to 17½ per cent from 18 per cent and yesterday the closely watched Federal Fund rate, on Overnight Loans between Banks, moved as low as 14½ per cent from Thursday's close of 14¼ per cent.

Interest-sensitive stocks performed slightly better than the market as a whole as a result of the rate cuts.

Texas Utilities rose $⅜ to $20⅞, **Niagara Mohawk** $½ to $14½, and **Southern Co.** $½ to $11⅞.

Mobil bid $85 a share for up to 40m **Marathon Oil** shares — Marathon was halted after gaining $3⅞ to $67½ and **Mobil** shed $½ to $25⅞.

After Mobil's announcement, trading focussed on other Energy issues that have often been the subject of takeover speculation. **Diamond Shamrock** gained $⅝ to $27 on heavy volume, **Kerr McGee** advanced $2¼ to $73⅞, **Pennzoil** $1⅛ to $44½, **Cities Service** $1⅛ to $45⅞ and **Superior** $1½ to $35⅞ ex dividend.

Data General were lifted $2½ to $52⅝ after an Appeals Court overturned an Anti Trust verdict against the firm.

THE AMERICAN SE Market Value Index improved 2.94 to 309.16, for a net rise of 1.81 on the week. Volume 2.66m shares.

Canada

A mixed trend prevailed yesterday morning, when the Toronto Composite Index firmed 0.8 to 1,829.7.

The Oil and Gas Index moved up 33.2 to 3,553.5 and Utilities put on 0.63 to 217.01, but Metals and Minerals shed 11.1 to 1,635.1, Golds 4.7 to 3,152.8, Banks 3.70 to 342.64 and Papers 5.59 to 176.19.

Texaco Canada held at $29 although it raised its dividend, while **Rio Algom** held unchanged at $35½ on lower earnings.

Closing prices for North America were not available for this edition.

Tokyo

Prices continued to rise, with Foreign investors becoming more active. The Nikkei Dow Jones Index added another 21.21 at 7,449.46. Volume 460m (350m) shares.

The rise was led by Energy shares, Pharmaceuticals and Speculative issues.

Energy shares drew strength from OPEC agreed oil prices. Also contributing were reports that a Tokyo oil company discovered what was called a promising offshore oil field west of Abu Dhabi.

Pharmaceuticals remained strong on speculation about the development of new drugs, especially anti-cancer agents. **Daiichi Seiyaku** gained Y40, **Dainippon** Y30 and **Shionogi** Y28.

Japanese Government Bonds were largely unchanged.

Germany

Leading shares partially recovered from an easier start and closed mixed.

Firmer Domestic Bond Markets attracted light equity buying in quiet pre-weekend dealings.

Siemens further declined DM 3.5 to 204.5, still under pressure from fears of results for the year ended September 30.

AEG firmed DM 0.50 to 43.60 ahead of results from a meeting yesterday with its bankers.

Bond prices rose generally on the strength of the Bond Market in New York. Public Authority Loans traded in the range of plus DM 0.65 and minus DM 0.20. The Bundesbank sold DM 40.8m of stock.

Mark Eurobond prices were firmer in early morning trading, but then slipped back. The New Republic of Finland five year 10¼ per cent Bond was quoted at 1.50 discount.

Australia

Oil news dominated Stock Markets as the All Ordinaries Index posted its first gain in six days at 549.1, up 3.3. But trading remained cautious following news of latest U.S. economic indicators which pointed to an early recession.

BHP, the nation's biggest oil producer, added 12 cents at A$9.86 in the wake of a decision by Opec nations which will result in a US$2 rise in the Saudi oil price.

Beach Petroleum rose 15 cents to A$3.75—its Western Seahorse discovery well flowed oil at the rate of 1,800 barrels a day, not normally considered a commercial flow for an offshore well but the find is close to an existing production platform.

Bargain hunting among the "big" Mines helped push the Metals and Minerals Index 8.5 up to 419.

CRA put on 18 cents to A$2.98 on an upturn in minimal output for the third quarter.

Banks were better and Petrol Refiners and Retailers firmed despite the industrial disputes plaguing the industry. Foods were active and firmer.

Paris

Slightly easier in quiet trading ahead of the long holiday weekend.

Yesterday's rise in French Call Money to 15½ per cent from 15¾ per cent was a technical measure ahead of the holiday and did not influence the Bourse.

Foods and Mechanical Engineerings showed the widest price movements and were mixed, but most other sectors eased.

Banks eased and **Paribas** fell Frs 3.4 to 194.1 after saying it no longer controls a majority of its former Belgian subsidiary **Cobepa**.

Stores, Holding Companies, Metals, Oils and Electrical Industry Suppliers were also lower.

In Foreign shares, U.S. were mixed while West Germans and Oils were steady. Mining and Dutch stocks rose.

Switzerland

Domestic shares closed steady in light volume in response to a stronger Swiss franc, but many investors kept to the sidelines due to continued interest rate fears.

Major Banks gained ground, apart from **Swiss Volksbank** which lost a further SwFr 20 to 970.

Financials firmed slightly and Insurances were strong. Leading Industrials edged higher.

Foreign Bonds were actively higher on selective demand as the Swiss franc remained strong against all major currencies. Less active Domestic Bonds posted minor gains.

On its first day of unofficial trading the Asian Development Bank 8 per cent Bond fell to 97½ per cent, compared with its issue price of 99 per cent.

In the Foreign sector, Dollar stocks traded mainly below overnight New York levels, Dutch Internationals fluctuated narrowly, while Germans were inclined easier.

Brussels

Belgian stocks were mixed, with **Petrofina** gaining FFr 60 4,090 on heavy volume.

Trading in **Cobepa** was still substantial at 1,200 shares. A group of private shareholders announced it wrested majority control from the French Paribas group as part of a campaign against French Government Nationalisation plans.

Tabacofina firmed on renewed rumours of a possible takeover bid. **Union Miniere** and **Vieille Montagne**, involved in a merger plan within the Societe Generale de Belgique Group, fell.

Milan

Mixed after a dull session in slow trading.

Activity was poor throughout and Institutional investors had no problems in keeping the market under control.

Indices

NEW YORK —DOW JONES

	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 23	Oct. 22	1981 High	1981 Low	Since Cm'pil't' High	Since Cm'pil't' Low
♦Industr'ls	842.56	837.61	828.58	830.56	837.99	848.27	1024.05 (27/4)	824.01 (25/9)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds	55.49	56.52	56.19	56.51	55.76	55.54	66.76 (15/1)	54.99 (1/10)	—	—
Transport..	370.22	374.60	370.55	366.17	367.16	369.89	447.58 (16/4)	355.49 (25/9)	447.38 (16/4/81)	12.25 (8/7/32)
Utilities	104.85	104.80	104.61	105.45	105.19	105.54	117.61 (5/1)	101.28 (28/9)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	40,070	46,100	53,050	56,210	41,990	40,650	—	—	—	—

♦Day's high 842.47, low 826.58.

Ind. div. yield %	Oct. 23	Oct. 16	Oct. 9	Year ago (approx)
	6.58	6.46	6.30	5.71

STANDARD AND POORS

	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 23	Oct. 22	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	132.57	135.57	135.26	132.00	132.52	135.75	157.02 (6/1)	125.49 (24/9)	160.96 (25/11/80)	3.52 (30/6/32)
Composite	119.06	119.45	119.29	118.15	118.60	119.64	138.12 (6/1)	115.01 (24/9)	140.52 (28/11/80)	4.40 (1/6/32)

	Oct. 28	Oct. 21	Oct. 14	Year ago (approx)
Ind. div. yield %	5.54	5.37	5.33	4.55
Ind. P/E Ratio	8.14	8.20	8.11	8.86
Long Gov. Bond yield	14.70	14.63	14.03	12.25

HIT BY VOLUNTARY EXPORT CURBS

Nissan Motor earnings dip 15.4%

BY YOKO SHIBATA IN TOKYO

NISSAN MOTOR, Japan's second largest car maker, said yesterday that its unconsolidated net profit for the half year ended September 30 fell by 15.4 per cent to Y42.12bn ($179.83m).

Voluntary export restrictions and weak domestic demand were largely responsible for the decline, but the company is forecasting that the decline will ease to 4.6 per cent for the full year ending March 31, and that sales will reach a record level.

Operating profits for the half year rose by 0.6 per cent to Y95.37bn on sales which rose in value by 4.9 per cent to Y1,622bn ($6.9bn), up from Y1,550bn for the same period a year earlier. Earnings per share fell to Y24.90 compared with Y32.38 but the company raised the interim dividend to Y7 per share from Y6.

During the April-September period, Nissan's domestic vehicle sales reached 586,586 units, down 10,441 units from the same period last year. Exports totalled 720,879 units, 37,112 vehicles below last year's level. The bright spot was a 35.2 per cent increase in the sale of knockdown units for export which increased to 119,805. Sales of parts rose 9.3 per cent to Y102.6bn.

A mark up in export prices after the yen's appreciation and higher prices on new models helped to lift the value of Nissan's exports by 8 per cent to account for 53.8 per cent of the total turnover. Domestic sales stayed sluggish, rising by only 1 per cent to account for 46.2 per cent of the total turnover.

The company said that the earnings performance was held back by the Y5bn increase in the cost of materials, higher labour costs (up Y15bn), a rise in expenditure on development (up Y7.5bn) and by depreciation costs (up Y11bn). Earnings benefited from the effect of rationalisation (Y10bn) and higher unit prices (Y30bn).

In the current half year ending March 1982, the company expects higher domestic sales to follow the recent recovery in domestic spending and the introduction of new models. These higher domestic sales are expected to cover the levelling off in exports.

In the full year, car sales are expected to reach 2.65m vehicles, about 30,000 units more than in the previous year. This includes export sales of 1.45m units, 20,000 fewer than in the previous year and domestic sales of 1.2m, an increase of 50,000 units. In addition, full year sales of knockdown units are expected to improve.

The company is projecting the value of full year sales at Y3,300bn, a rise of 9.4 per cent and operating profits of Y180bn, up 8.4 per cent on the previous year.

Higher Italian petrol prices to help ENEL

By Rupert Cornwell in Rome

THE ITALIAN Government yesterday announced a rise in the price of petrol by L65 to L985 per litre, along with similar substantial increases for other petroleum products.

The move, which underlines the fact that petrol in Italy—currently priced at the equivalent of $3.80 per gallon—is among the most expensive in the West, will both benefit the country's loss-making oil industry, and help shore up the disastrous finances of ENEL, the public electricity utility.

Of the increase, L20 will go to improve the operating margins of the oil companies. The bulk of the remaining rise will take the form of higher tax. The proceeds are earmarked to be channelled into the depleted coffers of ENEL.

Springer-Burda merger blocked

BY ROGER BOYES IN BONN

WEST GERMANY'S Federal Cartel Office has blocked plans for the big merger in the country's publishing industry, between the newspaper empire of Herr Axel Springer and the rival family-owned Burda group.

Herr Springer, sole owner of Germany's largest newspaper concern, had planned to sell 26 per cent of his company to the Burda group in a deal estimated to be worth some DM 200m ($88.14m). The original idea was that Burda would subsequently increase this stake to 51 per cent. A 26 per cent stake would, under German company law, have given Burda the power of veto over board decisions of the Springer group.

The Cartel Office's main fear appears to have been that a marriage between the two publishing concerns would have given them a "dominating" position in the domestic magazine and newspaper advertising market.

The two groups are in some ways complementary but there is also considerable market overlap.

Herr Springer, who had been suffering significant losses on Die Welt, justified his decision to sell part of his company on the grounds that the joint forces of Burda and Springer would be able to exploit fully the market potential of new media technology, including cable television and video information services.

The Cartel Office verdict is not finally legally binding. It is still possible for the Economic Ministry to override The Cartel Office on the grounds that a marriage between the two publishing concerns is so desirable for the German economy.

Usinor falls deeper into deficit

BY DAVID WHITE IN PARIS

USINOR, FRANCE'S biggest steelmaker, has plunged deeper into loss in the first half of the year. The FFr 1.49bn ($260m) deficit is well over that recorded for the whole of 1980.

It said that because of exceptional year-end charges a similar loss could be expected in the current half. This would mean an annual loss of around FFr 3bn, compared with FFr 1.23bn last year. In the first half of 1980, the group had shown a profit of FFr 89m.

About half the recent loss stemmed from financial changes, with the remainder due to depreciation and other costs. Operating results were in profit to the tune of FFr 120m, on sales which fell 11 per cent compared with the 1980 first half.

The announcement came after publication of sharply higher first half loss at the other main steel company, Sacilor. Already FFr 820m in the red, the group is expected to end the year with a figure higher than last year's FFr 1.9bn deficit.

Both companies, already nationalised to all intents and purposes, are to come fully under the state's control by a measure transforming their outstanding debts into Government shareholdings.

Usinor attributed its first-half performance to the fact that selling prices had remained stable while costs rose by 16 per cent. The increases in selling prices scheduled for the second half would not be enough to catch up

M Claude Etchegaray, the Usinor chairman, has already indicated that the group expects to have to wait two years before returning to profit.

Conoco boosts Du Pont results

By David Lascelles in New York

DU PONT, the largest U.S. chemicals company, reported a huge increase in earnings in the third quarter, but most of it was accounted for by Conoco, the oil company it took over in August.

Profits amounted to $278m, or $1.44 a share, compared with $90m, or 57 cents, in last year's third quarter. Sales more than doubled to $7.15bn.

Conoco's contribution to earnings was $114m, and its share of revenues was $3.48bn. Du Post reported that the after-tax cost of borrowings related to the takeover reduced the group's quarter net income by $58m.

Mr Edward Jefferson, the chairman, said the merger had got off to a good start, and that Du Pont's business had improved substantially from last year. But he said the company's return on investment was "still not at a satisfactory level." He saw demand weakening in the fourth quarter.

The company said Conoco's worldwide petroleum exploration and production operations in 1981 benefited from increased crude oil production in the North Sea and Indonesia.

Aetna Life lifts income

By Our New York Correspondent

AETNA, THE largest publicly quoted U.S. insurance company, managed to increase earnings in the third quarter despite the persistent weakness of the insurance market. It was the first quarterly increase in two years.

Profits were $136.9m, or $1.71 a share, up 20 per cent on last year's third quarter of $113.9m, or $1.41.

Mr John Filer, chairman, said Aetna's property and casualty, and reinsurance business had picked up, and favourable trends could continue even though he saw no fundamental upturn in the insurance cycle. Aetna sharply increased its rates during the summer because of what it described as ruinous competition.

Banks agree to write off AEG loans of DM 240m

BY KEVIN DONE IN FRANKFURT

WEST GERMAN banks have agreed to write off loans totalling DM 240m ($106m) to the ailing AEG-Telefunken electrical and electronics group to help cover the concern's expected losses of about DM 600m in 1981.

Originally, AEG had sought aid from its 24-strong banking consortium of around DM 500m, but the squeeze on the bank's own profitability has ruled out support on this scale.

AEG is likely to remain deeply in the red next year, however, as it will again face heavy restructuring costs of about DM 200m. The banks are expected to meet in the spring to consider more measures to bolster the group's precarious finances.

The first stage of the unprecedented rescue performed by the West German banking and industrial community was completed at the end of 1979 when about DM 1.4bn was poured into AEG in the form of new equity and unsecured loans.

As a result of that action the banks now hold around 50 per cent of the AEG equity. Their room for manoeuvre has been severely limited, however, by the difficult banking conditions of the last two years.

Several of the banks most heavily involved in the rescue, such as Dresdner Bank, Commerzbank and Westdeutsche Landesbank, have had to cut their dividends or pay no dividend at all because of the pressure on their own profits.

AEG is intending to cover the major part of its 1981 deficit through the sale of assets to its proposed co-operation venture with Robert Bosch and Mannesmann in the field of telecommunications, which could raise more than DM 450m.

This deal, which will establish a new force in the German telecommunications industry based on AEG's telecommunications and cable systems division, its office information equipment subsidiary Olympia and Telefonbau und Normalzeit its telephone systems subsidiary, is expected to be finalised during November.

In a short statement yesterday AEG said that its banking consortium had declared itself "fundamentally ready to play a major role in the re-structuring of the group."

Together with the co-operation ventures, the banks' financial support would mean that the company could declare a balanced result this year and would also be able to improve its balance sheet structure.

Koor Industries raises profits and turnover

By L. Daniel in Tel Aviv

KOOR INDUSTRIES, the industrial network—belonging to the Israel Labour Federation, has reported pre-tax profits up in the six months to June from Sh 63m to Sh 363m ($26.5m). Allowing for inflation, profits rose 161 per cent.

Net profit, after tax and payments to minority shareholders, rose to Sh 254m from Sh 46m a year earlier, or by 142 per cent in real terms. Turnover increased by 13 per cent in real terms to Sh 5.01bn, with exports increasing by 37 per cent

● Electrochemical Industries (Frutarom) of Acre, Israel's principal producer of PVC suffered from a slump in PVC prices in the first half of 1981 and incurred a net loss of Sh 94.5m ($6.9m) compared with a net profit of Sh 1m in the same period of 1980.

Strong growth at Romatex

BY JIM JONES IN JOHANNESBURG

ROMATEX, the South African textiles group which is indirectly controlled by Barlow Rand and in which South African Breweries' subsidiary, Afcol, has a large interest, beat its forecast for the year to September 30, 1981.

Pre-tax profit rose by 37 per cent to a record R53.1m ($55m) from R38.8m in the 12 months to end-September 1980 while turnover was 29 per cent higher at R389m against R302m

Management says that buoyant trading conditions and a tight rein on expenses enabled the group to produce record results. The Board adds that the wisdom of decisions last year to increase capacity was demonstrated by high plant utilisation throughout the group. There is, however, some doubt about prospects for the current year.

Real economic growth is expected to be lower than in the year just ended and this, says management, will have an adverse effect on consumer spending

COMMODITIES/REVIEW OF THE WEEK

Stocks rise hits aluminium market

BY OUR COMMODITIES STAFF

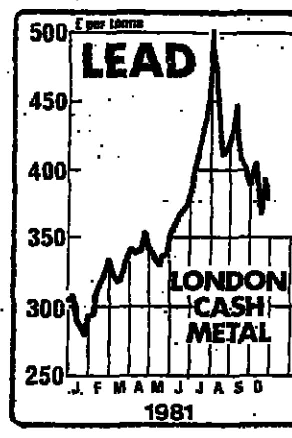
THE SLIDE in aluminium values on the London Metal Exchange continued as demand remained depressed and stock levels built up still higher. By last night's close the cash LME position was down to £600.50 a tonne, a fall on the week of £30.50.

The gloomy state of the market was highlighted by the announcement on Monday that LME warehouse stocks rose 8,200 last week to a record 112,575 tonnes. Stocks have now doubled in only four months.

Figures published by the International Primary Aluminium Institute showed that Western world primary metal output slipped to 996,000 tonnes in September, the first time it has gone below 1m tonnes since February. But Western world stocks are still rising and are expected to reach a record 3m tonnes by the end of the year.

Most other LME prices also fell. With more producers cutting U.S. market prices lead ended £17 down at £377.50 a tonne. Zinc prices rose slightly, however, encouraged by the continued lack of progress in strike talks at Ireland's Tara Mines, which is hitting concentrate supplies to European smelters. If anything the Tara situation worsened with unions threatening to mount a picket to stop maintenance work which has continued since the strike began in July.

After rising £5.25 yesterday cash zinc ended the week £2.25 higher at £505.75 a tonne.



A rise yesterday also turned round the copper market's performance on the week. Encouraged by cuts in U.S. interest rates cash copper wirebars gained £11.25 a tonne to end the week £6.50 up at £911.50 a tonne.

The cocoa market was boosted briefly by news that the International Cocoa Organisation (ICCO) had altered its buffer stock buying rules to give the buffer stock manager more flexibility in his price support operations. But the March futures price on the London market still ended £25.50 down on the week at £1,168.50 a tonne.

Under arrangements which came into effect on October 1 the buffer stock manager had been required to set his support buying price a day in advance, leavings himself at the mercy of subsequent foreign exchange movements. Now he will announce the price on the day of purchase but is free to alter it at any time to suit market conditions.

Dealers still seem doubtful, however, on the likely effectiveness of support buying, in view of the inadequate funds available. The manager has been authorised to investigate the possibility of commercial borrowings to enable further purchases but his findings will have to go before a future meeting of the Cocoa Council before anything can be done about this.

World sugar prices moved up a little, possibly encouraged by news that EEC Foreign Ministers had agreed to exploratory talks on the Common Market joining the International Sugar Agreement. It is understood, however, that substantial changes in the pact would be demanded.

The market was also influenced at one stage by reports that the USSR had purchased about 70,000 tonnes of sugar. Some London dealers said this was "old news," however.

The March position on the London sugar futures market ended £4.975 higher on the week at £168.60 a tonne.

News that Malaysia, Japan and the U.S. had agreed to pay a total of £17.5m towards a rubber buffer stock buying fund failed to lift the market. Spot rubber on the London physical market ended 0.5p down on the week at 54.5p a kilo.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£780/70
Free Markets c.i.f.	$1100/1150	—40	$1595/625	$1500/1550	$1095/125
Antimony	$2548/2640	—40			
Free Market 99.6%			$3,200/250	$3200/3260	$2580/680
Copper Cash Wire Bars	£911.5	+6.5	£852	£1,023.5	£755
3 months Do. Do.	£940.75	+7	£861	£1,052.75	£777.5
Cash Cathodes	£905	+3.5	£806	£1,085	£748.5
3 months Do.	£935	+7.5	£835	£1,046	£765.5
Gold per oz.	$428	—2.5	$629.5	$601	$390
Lead Cash	£377.5	—17	£340.5	£502	£273.75
3 months	£391.25	—14.5	£345.75	£499.5	£285.25
Nickel	£4,219.60	—	£3,168	£4,219.60	£3,156
Free Market c.i.f. lb	255/265c	—10	285/310c	295/310c	225/275c
Platinum per oz.	£260		£202	£260	£202
Free Market per oz	£225.20	—3.9	£265.30	£250.99	£185.60
Quicksilver (76lbs.)	$420/425	—	$405/415	$428/438	$356/365
Silver per oz	439.90p	—4.85	773.90p	671.20p	428.50p
3 months per oz.	511.90p	—5.85	804.90p	695.70p	441.20p
Tin cash	£8132.5	—57.5	£6685	£8,455	£5,700
3 months	£8352.5	—4.5	£6747.5	£8,447.5	£5,865.5
Tungsten Ind.	$142.51	—	$148.21	$149.08	$140.56
Wolfram (22.04 lb)	$135/141	—	$145/147	$151/155	$136/141
Zinc cash	£505.75	+2.25	£327.75	£553.5	£306.5
3 months	£520.75	+4.25	£338.5	£566.5	£318.25
Producers	$1000	—	$823	$1000	$823
GRAINS					
Barley Futures	£103.60w	+0.10	£97.10	£105.30	£94.40
Maize French	£127.25x	—	‡	£130.00	£119.75
WHEAT Futures	£108.60 w	+0.55	‡	£121.10	£99.10
Hard Winter Wheat	‡	—	£102.50	£124	£102.0
SPICES					
Cloves (g)	£6,000v	—	£4,100	£6,000	£3,800
Pepper, white	$2,025u	—25	$2,175	$2,150	$1,850
black	$1,400u	—	$1,625	$1 650	$1,225
OILS					
Coconut (Philippines)	$560u	—10	$600	$640	$520
Groundnut 5%	$825u	—25	‡	‡	‡
Linseed, Crude	£460v	—	‡	£460	£400
Palm Malayan	$510y	—2.5	$555	$645	$500
SEEDS					
Copra (Philippines)	$360u	—5	$375	$430	$335
Soyabeans (U.S.)	$251x	—2	‡	$340	$258
OTHER COMMODITIES					
Cocoa Shipment§	£1,243	—19	£1,022	£1,416	£850
Cocoa Futures Mar.	£1,168.5	—25.5	£977.5	£1,315	£789.5
Coffee Futures Jan.	£1120.5	—8	£1,065.5	£1,167.5	£733.5
Cotton Index	74.65c	+0.1	98.95c	101.15c	74.15c
Des Coconut	£620	—	£640	£680	£520
Gas Oil Fut. Nov.	$325.5	+6	£221	$325.5	$268
Jute UI ABW C grade	£265u	—		£253	£219
Rubber kilo	54.5p	—0.0	60.75p	65.25p	51.5p
Sago Pearl	£232u	—	£200	£252	£197
Sisal No. 1	$670	—10	$730	$780	$ 670
Sugar (Raw)	£153vy	—1	£390	£315	£152
Tapioca No. 1	£228u	—	£215	£255	£207
Tea (quality) kilo	117p	—13	140p	130p	117p
(plain) kilo	83p	+5	55p	87p	59p
Wooltops, 64s Warp	390p kilo	—	287p kilo	400p kilo	294p kilo

‡ Unquoted. (g) Madagascar. (u) Nov/Dec. (x) Nov. * Nominal. (y) Dec. § Ghana cocoa. (v) Oct/Nov. (w) Jan.

MARKET REPORTS

BASE METALS

BASE-METAL PRICES moved ahead on the London Metal Exchange mainly reflecting pre-weekend book-squaring. COPPER closed around the day's high at £941, while news of the closure of two U.S. zinc mines prompted minor buying of ZINC which closed at £519.75, after £522. LEAD was quiet and finally £391 as was TIN, £8351. ALUMINIUM was persistently sold and dropped to £625 and NICKEL closed £2847.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	908.5-9	+11.5	911-2	+11.2
3 mths	937.5-8.5	+10.2	940.5-1	+11.5
Settlem't	909	+11.5	—	......
Cathodes				
Cash	904-6	+11.2	904-6	+9
3 months	933-5	+11.7	934-6	+11
Settlem't	906	+12	—	...
U.S. Prod	—	......	*80.7-86	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £908.00, 08.50, 09.00, three months higher grade £938.00, 37.50, 38.00. Kerb: Wirebars, three months £938.00, 38.50, 39.00, 39.50, 40.00. Afternoon: Wirebars, three months £939.00, 40.00, 39.50, 39.00, 39.50, 40.00, 40.50, 41.00. Kerb: Wirebars, three months £941.00, 40.00, 39.50, 39.00. Turnover: 18,150 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8145-50	......	8130-5	—12.5
3 months	8350-2	—6.5	8350-5	+2
Settlem't	8150	......	—	......
Standard				
Cash	8145-50	......	8130-50	—12.5
3 months	8350-2	—6.5	8350-5	+2
Settlem't	8150	......	—	......
Straits E.	†$35.55	—0.01		......
New York	—	......		

Tin—Morning: Standard, cash £8,150, three months £8,350, 55, 52. High Grade, cash £8,150. Kerb: Standard: three months £8,352, 51. Afternoon: Standard, cash £8,130, three months £8,350. Kerb: Standard, three months £8,350. Turnover: 1,425 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	378-9	+7	377-8	+5
3 months	390-1	......	391-.5	+2
Settlem't	379	+7	—	......
U.S. Spot	—	......	*36-40	......

Lead—Morning: Cash £381.00, 80.00, 79.00, three months £391.00, 92.00, 92.50, 92.00, 93.50, 93.00, 92.50, 92.00, 91.00. Kerb: Three months £391.00, 91.50, 91.00. Afternoon: Cash £377.00, 77.50, three months £391.00, 90.50, 91.00, 91.50. Kerb: Three months £391.00, 91.50, 91.00, 90.00, 90.50, 91.00, 90.50. Turnover: 11,200 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	505.5-6	+6	505.5-6	+5.25
3 months	520.5-1	+6	520.5-1	+4.25
S'ment	506	+6	—	... ..
Primw'ts	—	—	*45.5-50	......

Zinc—Morning: Three months £519.00, 19.50, 18.00, 19.00, 20.00, 21.10, 20.50. Kerb: Three months £521.00, 20.50. Afternoon: Three months £521.00, 20.50. Kerb: Three months £519.00, 19.50. Turnover: 6,150 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	604.5-5	—1.25	600-1	—7
3 months	629.5-30	—1.5	626-.5	—7.5

Aluminium—Morning: Three months £630.00, 29.00, 29.50, 30.00. Kerb: Three months £630.00. Afternoon: Cash £605.00, three months £629.00, 29.50, 28.00, 27.50, 27.00, 26.50, 26.00, 27.00, 26.00, 26.50, 26.00. Kerb: Three months £626.00, 25.00, 25.50, 25.00, 26.00, 25.00. Turnover: 12,575 tonnes.

Nickel—Morning: Three months £2,860, 56, 55, 50, 48. Kerb: Three months £2,850. Afternoon: Cash £2,799, three months £2,849, 47. Kerb: Three months £2,848, 50. Turnover: 348 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2790-800	—1	2799-800	—20.5
3 months	2847-9	—28	2846-9	—42.5

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 4.25p an ounce higher for spot delivery in the London bullion market yesterday at 493.90p. U.S. equivalents of the fixing levels were: spot $9.12, up 18.9c; three-month $9.4470, up 18.4c; six-month $9.8110, up 18c; and 12-month $10.6070, up 20.5c. The metal opened at 493½-501½p ($9.20-9.25) and closed at 498¾-501½p ($9.20-9.25).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	493.90p	+4.25	496.0p	+7.0
3 months	511.90p	+3.75	514.75p	+6.5
6 months	530.90p	+3.75	—	....
12months	571.65p	+4.50	—	....

LME—Turnover 149 (92) lots of 10,000 ozs. Morning: Three months 514.0, 13.0, 14.0. Kerb: Three months 515.0. Afternoon: Three months 515.0, 16.0, 15.0. Kerb: Three months 515.0.

COCOA

Futures initially steadied on further shortcovering but trade house selling in front of producer offers checked the rally for prices to ease at the close on profit-taking and book-squaring. Actuals business was scarce, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
Dec	1167-68	—3.5	1185-65
March	1168-69	—5.5	1189-66
May	1166-67	—6.0	1189-66
July	1166-67	—5.5	1186-66
Sept	1167-69	—8.0	1179-66
Dec	1175-78	—6.0	1199-78
March	1180-88	—12.5	1188

Sales: 2,595 (3,868) lots of 10 tonnes.

ICCO—Daily price for October 30: 94.09 (93.50): indicator prices for November 2: 92.65 (92.76).

COFFEE

A steady "C" coupled with sterling gains produced a marginally higher opening, reports Drexel Burnham Lambert. Failure to maintain initial values prompted further liquidation amid scale down commission house buying.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1111-15	—8.0	1130-10
Jan	1125-26	—9.5	1142-25
March	1124-25	—5.0	1140-23
May	1119-24	—9.5	1135-24
July	1120-23	—7.5	1137 24
Sept	1121-25	—9.5	1130-25
Nov	1120-35	—8.5	—

Sales: 3,806 (4,289) lots of 5 tonnes.

ICO 1976 indicator prices for Oct 29: (U.S. cents per pound): Comp daily 121.30 (120.94); 15-day average 117.98 (117.70).

GAS OIL FUTURES

An unchanged opening was followed by a steady rally reflecting the firmness of the physical market. Towards the close prices rallied sharply on short-covering, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
October	323.00	—4.00	330.00-25.00
November	325.50	+2.25	326.25-22.75
December	326.25	+1.50	328.75-24.75
January	327.00	+1.00	327.50-25.75
February	326.75	—0.25	327.50-26.75
March	326.75	—0.25	327.00-26.50
April	325.75	—1.00	327.00-25.75
May	325.75	—1.25	327.75-25.75
June	326.00	—1.50	328.25-27.25

Turnover: 1231 (757) lots of 100 tonnes.

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent Oct 113.75, Nov 116.50, Dec 118.25 transhipment East Coast sellers. English Feed fob Nov 110.50 East Coast seller. Maize: French Nov 127.25 transhipment East Coast. S. African White/Yellow optional Nov 86.25 seller. Barley: English Feed fob Nov 104.75 East Coast Scotland, Dec 106.25 East Coast. Rest unquoted.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterday close	+ or —
Nov	105.95	—	100.30	—0.05
Jan	108.60	—	103.80	—0.05
Mar	112.20	—0.05	107.25	—0.05
May	115.90	—	110.65	—0.10
July	119.30	—0.10	—	—
Sep	106.50	—0.05	100.70	—

Business done—Wheat: Nov 105.95 only, Jan 108.60-108.45, March 112.20-112.05, May 115.90-115.70, July no trades, Sep: 106.50 only. Sales: 51 lots of 100 tonnes. Barley: Nov 100.35-100.30, Jan 103.80 only, March 107.15 only, May no trades, Sept no trades. Sales: 96 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 108.80, E Mids 106.00, N. East 106.50. Feed barley: Eastern 100.00, E. Mids. 98.00, N East 100.00, Scotland 102.20. The UK Monetary Coefficient for the week beginning Monday November 9 (based on HGCA calculations using three days exchange rates) is expected to change to 0.952.

RUBBER

The London physical market opened unchanged and attracted little interest throughout the day, to close quiet. Lewis and Peat reported a fob price for No. 1 RSS in Kuala Lumpur of 227.0 (226.0) cents a kg and SMR 20 179.0 (same).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Dec	56.60-56.70	56.50-56.90	56.60-56.30
Jan	57.00-58.00	57.20-57.50	—
Jan-Mar	58.30-58.50	58.50-58.40	58.60-58.10
Apl-Jne	62.20-62.50	62.40-62.50	62.60-62.00
Jly-Sept	65.50-65.80	65.80-65.90	66.10-65.40
Oct-Dec	69.00-69.10	69.50-69.40	69.50-68.90
Jan-Mar	72.40-72.50	72.60-72.70	72.20
Apl-Jne	75.70-75.80	75.90-76.00	75.70-75.60
Jly-Sept	78.90-79.00	79.10-79.30	78.80

Sales: 613 (200) lots of 15 tonnes 18 (9) at 5 tonnes.

Physical closing prices (buyer) were: Spot 54.50p (55.00p); Dec 53.00p (same); Jan 54.25p (same).

SOYABEAN MEAL

SOYABEAN MEAL £ per tonne — The market opened lower on stronger sterling, reports T. G. Roddick. Prices drifted in quiet conditions to close on the lows.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
December	151.00-51.4	—0.45	151.40-51.1
February	154.10-54.3	—1.05	155.50-54.2
April	156.50-57.0	—1.15	157.20
June	158.50-40	—1.15	—
August	140.00-42.5	—1.00	—
October	141.00-45.0	—1.50	—
Dec	142.00-49.0	—1.75	—

Sales: 81 (166) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £153.00 (£158.00) a tonne cif Oct-Nov-Dec shipments. White sugar daily price £178.00 (£179.00).

No. 4 Con-tract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Jan.	162.55-62.75	162.50-62.75	162.55-60.00
March	168.55-68.65	168.75-68.90	172.50-65.75
May	172.40-72.45	172.50-72.75	176.00-70.75
Aug	176.40-76.50	176.50-76.60	176.50-74.75
Oct	181.10-81.25	181.65-81.75	181.25-79.25
Jan.	180.75-81.20	181.50-83.50	—
March	186.00-86.00	188.00-87.00	—

Opening values showed little change. In spite of a weaker tone mid-session, arbitrage buying towards the close erased the losses, reports C. Czarnikow.

Sales: 5,303 (7,652) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £375.0 (same) a tonne fob for home trade and £262.0 (£267.5) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Oct 29: Daily price 11.93 (11.48); 15-day average 11.82 (11.85).

POTATOES

LONDON POTATO FUTURES—The market was quiet with weekend book-squaring leaving little change on the day, reports Coley and Harper. Closing prices: Nov 78.00, unchanged (high 78.50, low 77.80); Feb 91.40, —0.20 (high 91.50, low 91.00); April 104.10, +0.10 (high 104.30, low 103.40). Turnover: 180 (200) lots of 40 tonnes.

AMERICAN MARKETS

NEW YORK, Oct 30

PRECIOUS METALS declined on the lack of reaction to U.S dollar weakness and lower interest rates. Copper firmed on stop loss buying as key technical points were touched. Sugar was slightly higher on light manufacturer price fixing. Heating oil strengthened on news of a Saudi production cut. Wheat and soyabeans were higher on dollar weakness, lower interest rates and potential Soviet sales while corn was slightly lower on hedge selling, reported Heinold.

Copper—Nov 76.10 (75.75), Dec 76.95-7.15 (76.75), Jan 78.00, March 79.70-80.00, May 81.90, July 83.70-83.75, Sept 83.35, Dec 88.00, Jan 88.85, March 90.60, May 92.35, July 94.10, Sept 95.85.

*Gold—Nov 427.0 (428.9), Dec 430.8-432.0 (433.3), Jan 436.3, Feb 441.0-442.0, April 452.3, June 464.0-464.5, Aug 474.1, Oct 485.3, Dec 496.6, Feb 508.1, April 519.6, June 531.1, Aug 542.7. Sales: 39,000.

*Platinum—Nov 407.3 (428.8), Jan 414.5-416.0 (420.3), April 429.5, July 444.6, Oct 459.8.

Potatoes (round whites)—Nov 64.2-65.0 (64.5), Feb 70.3-71.4 (69.5), March 74.3, April 83.35-83.8. Sales: 752.

¶Silver—Nov 915.0 (927.0), Dec 924.0-929.0 (938.0), Jan 937.6, March 961.0-967.0, May 985.1, July 1008.6, Sept 1032.1, Dec 1068.1, Jan 1080.1, March 1103.6, May 1127.1, July 1150.6, Sept 1174.1. Handy and Harman bullion spot: 917.00 (899.00).

Sugar—No. 11: Jan 12.05-12.15 (12.10), March 12.49-12.55 (12.43), May 12.78-12.80, July 12.99-13.00, Sept 13.29-13.30, Oct 13.52-13.55, March 14.11. Sales: 1,950.

Tin—685.00-695.00 (680.00-685.00).

CHICAGO, Oct 30.

Lard—Chicago loose 20.25 (same).

Live Cattle—Dec 63.75-63.85 (64.25), Feb 63.97-64.05 (64.35), April 64.52-64.65, June 65.17-65.22, Aug 64.90, Oct 64.00.

Live Hogs—Dec 48.62-48.75 (48.97), Feb 49.75-49.90 (49.72), April 47.60-47.75, June 50.00-50.05, July 50.40, Aug 49.27, Oct 47.90, Dec 48.77, Feb 49.00.

‡‡Maize—Dec 287½-287¼ (288), March 306½-306¼ (306½), May 318¼-318¾, July 326½, Sept 332½, Dec 338½.

Pork Bellies—Feb 68.40-68.30 (68.25), March 68.20-68.35 (68.22), May 68.85, July 69.80, Aug 69.20.

†Soyabeans—Nov 651-652 (647½), Jan 672-671 (668¼), March 694½-695, May 714-714½, July 729½, Aug 733, Sept 724, Nov 740.

‖Soyabean Meal—Dec 189.3-189.0 (187.5), Jan 193.0-192.8 (191.6), March 198.5-199.0, May 204.0-203.0, July 209.0, Aug 210.8-211.0, Sept 210.0-210.5, Oct 209.5, Dec 212.5.

Soyabean Oil—Dec 21.26-21.28 (21.07), Jan 21.68-21.70 (21.54), March 22.43-22.45, May 23.00, July 23.55, Aug 23.70-23.80, Sept 23.90-24.00, Oct 24.05, Dec 24.45.

†Wheat—Dec 438-439½ (435¾), March 464½-464¾ (461½), May 474-474½, July 470, Dec 498.

WINNIPEG, Oct 30

§Barley—Oct 120.00 (120.40), Dec 123.20 (123.50), March 129.70, May 132.90, July 134.20.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 251.84 (252.49).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Thursday's closing prices

NEW YORK, Oct 29.

††Cocoa—Dec 1932 (1871), Mar 2004 (1943), May 2035, July 2055, Sept 2075, Dec 2100, Mar 2125. Sales: 1,576.

Coffee—"C" Contract: Dec 142.30-143.00 (142.94), Mar 134.50-134.75 (134.01), May 129.75-129.85, July 127.73, Sept 126.75, Dec 123.50, Mar 121.30-124.00. Sales: 2,791.

Cotton—No. 2: Dec 65.58-65.70 (65.42), Mar 67.55-67.60 (67.45), May 69.15, July 70.85, Oct 73.00-73.15, Dec 74.20-74.25, Mar 75.10-75.70. Sales: 4,100.

Orange Juice—Nov 116.10-116.30 (115.50), Jan 119.00 (118.50), Mar 121.70, May 124.40-124.60, July 127.00-127.10, Sept 128.20-128.50, Nov 129.15-129.30. Sales: 600.

CHICAGO, Oct 29.

Chicago Imm Gold—Nov 428.0 (423.0), Dec 433.0-432.5 (427.8), Mar 449.0-448.3, June 464.8, Sept 481.4, Dec 498.2, Mar 515.2, June 532.4, Sept 549.8.

NEW ORLEANS—Milled Rice Futures (cents per cwt of U.S. No. 2 long grain): Nov 1926 (1937), Jan 1926 (1947), Mar 1965, May 1985.

INDICES

FINANCIAL TIMES

Oct. 29	Oct. 28	Month ago	Year ago
258.94	258.57	260.71	274.46

(Base: July 1, 1952=100).

MOODY'S

Oct. 29	Oct. 28	Month ago	Year ago
1001.4	1000.7	1008.5	1324.5

(December 31, 1931=100).

DOW JONES

Dow Jones	Oct. 29	Oct. 28	Month ago	Year ago
Spot	358.01	356.16	354.74	479.87
Fut'rs	374.42	375.89	371.85	499.18

(Average 1924-25-26=100)

REUTERS

Oct. 30	Oct. 29	M'nth ago	Year ago
1648.4	1655.1	1666.1	1749.4

(Base: September 18, 1931=100)

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 377, 383, nil; Jan 378, 382, nil; March 390, 391, 390; May 395, 402, 398-397; Aug 412, 415, 413-411; Oct 418, 420, 418; Dec 420, 422, 422-420; Jan 420, 426, 423-421; March 427, 432, 430-428. Sales: 113.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 485.0, 486.0, 485.5-483.9; March 499.0, 499.5, 500.0-499.5; May 512.5, 513.5, 514.0-513.0; July 523.5, 524.0, 523.5-523.0; Oct 520.5, 526.0, 521.0-520.5; Dec 525.5, 527.0, 525.5; March 529.0, 532.0, untraded. Sales: 56.

★

GRIMSBY FISH—Supply poor, demand fair. Prices at ship's side (unprocessed) per stone. Codling £2.00-£2.20. Small haddock £2.00. Best small plaice £3.00-£3.36.

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid

‡ Bargains at special prices. △ Bargains done with a non-member or executed in overseas market. ⊕ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (337)

BREWERIES (268)

Vaux 119 21 2 (27/10)
Whitbread 136 7 8 9
Whitbread Invests. 94 5
Wolverhampton Dudley 206 8 11 2
Young A (50p) 228. NV (50p) 172 (26/10)

COMMERCIAL (4,935)

A—B

AAA Inds 31
AAH 53 5. New 83
AB Electronic Prods. 102

Baird (W.) (£1) 173 6
Baker Perkins Hldgs. (50p) 71 (27/10)
Bakers Household Stores (Leeds) (10p) 153
Bambers Stores (10p) 60 2 3 (28/10)
Banks (S. C.) 128 (23/10)
Bardsey (10p) 16½ 7 ½
Barget (25p) 134 42 3
Barker Dobson Gp. 6½ 7 ½
Barlow Rand (R0.10) 425
Barr (A. G.) 200⊕
Barr Wallace Arnold Tst. 58 (28/10). A Non-vtg. 47 9 50 (28/10)
Barratt Dvlpmts. (10p) 204 6 7 8 9 10

Elbar Industrial (50p) 120 (26/10)
Elbief (10p) 14 (28/10)
Eleco Hldgs. (10p) 64
Electrocomponents (10p) 120 1 3
Electronic Rentals Group 83 4
Ellenroad Mill 12 (23/10)
Elliott (B.) 124
Elliott (E.) 24 (28/10)
Elliott Group of Peterborough (10p) 42
Ellis Goldstein (15p) 24½
Elson Robbins 15 6
Elswick (5p) 9½
Elys (Wimbledon) 260
Emes Lighting 117

Headlam Sims Coggins (5p) 34 6 7 ½
Neal and Son (£1) 20 (26/10)
Helene of London (10p) 18
Henderson (P. C.) 127 (28/10)
Henlys (20p) 66
Henriques (Arthur) (10p) 17½ (27/10)
Hepworth Ceramic 88 ½ ¼ 9½
Hepworth (J.) Son (10p) 90 1 2 3 4
Herman Smith (10p) 24 (23/10)
Heron Motor 19½ (28/10)
Hestair 32
Hewden-Stuart Plant (10p) 26
Hewitt (J.) 44½ (27/10)
Heywood Williams 27

Hanson Trust 6½pcLn. 138 (28/10). 9¼pc Ln. 104 ½ 5 ½ 7½ 8½
Hargreaves Group (20p) 36 (28/10)
Harris (Philip) (20p) 101
Harris Queensway Group (20p) 100
Harrison (T. C.) 73½ ¼ 4 (23/10)
Harrisons and Crosfield (£1) £7½ ¼ ½
Hartwells Group 64
Hawker Siddeley 286 7 8 90 1 2 4
Hawkins and Tipson 20 (28/10)
Hawley Leisure 55 (28/10)
Hawtin (5p) 6 ½
Hay (Norman) (10p) 54 5 (28/10)
Haynes Publishing (20p) 138 40 (23/10)
Hazlewood Foods (20p) 180 (28/10)

Lilley (F. J. C.) 148
Lincroft Kilgour Grp (10p) 29 (27/10)
Linfood Hldgs 167 8 9. 12pcLn £112½ 3
Link House (20p) 210⊕
Linread 13 (25/10). 8pcLn 48 (26/10)
Lister 32
Liverpool Daily Post Echo (50p) 121 (23/10)
Lloyd (F. H.) Hldgs 32
Locker (Thomas) (Hldgs) (5p) 12. A N-vtg (5p) 11 ½ 2
London Liverpool Tst (10p) 31½ (28/10)
London Midland Inds 102 3
London Nrthrn Grp 38½ 9 40

H—J

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

Whitworth Electric (Hldgs) (5p) 107 (23/10)
Wholesale Fittings 168 (27/10)
Wigfall (Henry) Son 135
Wiggins Construct (10p) 71
Wilkins Mitchell 16
Wilkinson Warburton 72 (27/10)
Williams James (Engineers) 68 70
Williams (John) Cardiff 22 (28/10)
Williams (W.) Sons (Hldgs.) 10 (27/10)
Wills (George) Sons (Hldgs.) 79
Wilson (Connolly) Hldgs. 154 60
Wimpey (George) 77 8 9 80
Wire Plastic Products PLC (10p) 40
Wolseley-Hughes 228 30
Wolstenholme Rink 108
Wolverhampton Steam Laundry (5p) 40
Wood Hall Tst 140 2
Wood (S. W.) Grp (20p) 22
Woodhead (Jonas) Sons 29
Woodhouse Rixson (Hldgs) (12½p) 13½ (27/10)
Woodward (H.) Son (12½p) 25

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

External Investment Trust PLC (£1) 270 (27/10). 7pcCnv.Ln. 1992-97 150 3 (23/10)
F and C Eurotrust 52½ 3 (23/10)
Family Investment Trust 380
First Scottish American Trust PLC 108 10 1. 5pcCnv.Ln. 1992-97 69 (26/10)
First Union General Investment Trust (R0.25) 112 (27/10)
Foreign Col Investment Trust PLC 60½
Fulcrum Investment Trust 48 (27/10). Cap. Shs. 2½p 3¼ (27/10)
Fundinvest Inc.Shs. 39 (27/10). Cap.Shs. 93½ (27/10)
G. T. Global Rec. Investmt. Trust PLC (£1) 72
G. T. Japan Investment Trust PLC 348 9 53
General and Comm Invest. Trust PLC 174 (26/10)
General Cons. Invest. Trust PLC 100
General Funds Investment Trust PLC 270 3 4

Anti-arson campaign

GOVERNMENT and insurance interests yesterday launched a major campaign to warn people of the need to "guard against the fire vandal."

According to the insurance industry, fire losses in Britain during 1980 cost £469m. They are currently running at the rate of £1m per day. Vandalism accounts for the largest proportion of the cost and a Home Office working party estimated that in 1977 arson was responsible for one third of all fire losses.

"Guard against the fire vandal" will be the theme of National Fire Safety Week which runs from Monday.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$425	12	15	—	—	—	—	$427.50
GOLD C	$450	39	6	43	26	—	—	"
GOLD C	$475	8	2	4	15 B	—	—	"
GOLD P	$400	10	4	—	—	1	13.50	"
GOLD P	$425	33	8.50	—	—	—	—	"
		Jan.		April		July		
ABN C	F.300	5	2	5	5.50	—	—	F.279.50
AKZO C	F.22.50	34	1	20	1.80	4	2	F.21.10
AKZO C	F25	—	—	10	1	—	—	"
AKZO P	F.22.50	10	1.70	—	—	—	—	"
AMRO C	F.50	—	—	—	—	4	4.50	F.50.50
AMRO C	F.55	—	—	15	1.90	5	2.50	"
HEIN C	F.45	9	2.60	24	4	—	—	F.44.50
HEIN C	F.50	—	—	—	—	5	2.50	"
HEIN C	F.55	—	—	3	1.20	—	—	"
HEIN P	F.45	—	—	46	2.90	15	3.50	"
HEIN P	F.50	2	0.70	—	—	—	—	"
HOOG C	F.15	15	0.60	80	1.40	—	—	F.13.90
HOOG P	F.15	—	—	11	1.70	—	—	"
IBM C	$55	5	5/8	5	1⅞	—	—	$49
KLM C	F.90	77	10.30	3	—	—	—	F.94
KLM C	F.100	267	7	6	18.50	—	—	"
KLM C	F.110	312	4.50	4	13.50	—	—	"
KLM C	F.120	182	2.20 B	16	8	—	—	"
KLM C	F.130	159	1.50	—	5.50	—	—	"
KLM C	F.140	86	1	—	—	—	—	"
KLM C	F.150	15	0.50	—	—	—	—	"
KLM P	F.80	96	2	—	—	—	—	"
KLM P	F.90	449	5	—	—	—	—	"
KLM P	F.100	58	11	—	—	—	—	"
KLM P	F.110	23	17.50 B	—	—	—	—	"
NEDL C	F.140	3	7.20	—	—	—	—	F.139
NEDL C	F.160	3	1.80	—	—	—	—	"
NEDL P	F.130	10	2.20	—	—	—	—	"
NATN C	F.120	5	0.60	—	—	—	—	F.106.80
PETR C	F.4286	7	180	—	—	—	—	Fr.4120
PHIL C	F.20	117	0.90	105	1.50	20	2.10	F.19.10
PHIL C	F.22.50	8	0.30	75	0.70	—	—	"
PHIL C	F.25	10	0.20	15	0.40 A	—	—	"
PHIL C	F.27.50	5	0.10	—	—	10	—	"
PHIL P	F.17.50	125	0.60	—	—	10	0.90	"
PHIL P	F.20	20	1.80	3	2.10	10	2.20	"
PHIL P	F.22.50	12	3.80	—	—	—	4	"
RD C	F.70	9	14.30	—	—	—	—	F.81.80
RD C	F.80	78	6.70	—	—	—	—	"
RD C	F.90	150	2.40	10	5.20 B	—	—	"
RD P	F.70	5	0.80	—	—	—	—	"
RD P	F.80	90	3	—	—	—	—	"
RD P	F.90	9	8.50	—	—	—	—	"
UNIL C	F.150	7	1.80	9	5	—	—	F.139.20
UNIL P	F.130	5	2.20	—	—	—	—	"
UNIL P	F.140	12	5.50	—	—	—	—	"
		Nov.		Feb.		May		
MANN C	DM.140	—	—	18	11.50	—	—	DM145.80
VW C	DM.160	—	—	—	—	4	2.50	DM120.50

TOTAL VOLUME IN CONTRACTS 3257

A=Asked B=Bid C=Call P=Put

HOPKINSONS HOLDINGS Limited

Interim Report

Results

The unaudited results for the half year to 31st July, 1981 are:

	1981 £000	1980 £000	Year to 30 Jan. 1981 £000
Turnover	26,883	18,964	44,013
Group trading profit	1,829	21	2,118
Interest paid	(184)	(266)	(666)
Investment and other income	15	151	198
Gross profit (loss) before taxation	1,660	(94)	1,650
Taxation	510	—	(15)
Gross profit (loss) after taxation attributable to holding company	1,150	(94)	1,665

Trading profit is affected by keener margins, a symptom of current conditions. Pre-tax profit is helped by comparatively lower interest charges, borrowing having been reduced by profit generation and management actions rather than by any marked fall in stock levels or any exceptional item. In determining the charge for taxation an estimate has had to be made of the "All Stocks Index" inflation factor at January 1982 so that stock relief due may be evaluated. This we have tried not to over estimate. With the market difficulties showing no signs of abating, acceptable activity levels in some areas proves not to be possible but currently the second half of the year looks profitable.

Interim Ordinary Dividend

The Board have decided to pay an interim dividend on the ordinary shares of 1.5p per share (last year 1.5p per share) for the year to 29th January, 1982 which will be paid on 11th December, 1981 to shareholders registered on 20th November, 1981.

Birkby Grange, Huddersfield.

F. R. Bentley
Chairman

RECENT ISSUES

EQUITIES

Issue price p	Amount Paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing price p	+ or —	Div. or amount	Times covered	Gross yield	P.E. ratio
—	F.P.	—	850	775	✣Asprey	850xc	....	35.0	3.3	5.9	6.2
¶110	F.P.	13/11	133	120	Habitat	125	—1	u3.6	1.4	4.1	28.4
63	F.P.	2/12	74	69	✣JohnstonesP'int10p	74	....	b3.53	2.5	6.8	7.7
¶67	F.P.	18/12	69	68	✣Sheldon Jones	68	+1	u3.5	2.4	7.3	7.8
—	F.P.	16/10	230	155	✣UtdFrdl'yIns.B.R.V.	225	—5	mh8.25	—	4.0	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or —
¶100	F.P.	—	82p	81p		82pr	....
¶	F.P.	26/10	100½	97	Asprey 9½% Cum. Prf.	97	—1
**	F.P.	—	64	62	Austin (F.) Leyton11½%PtlyCnv.Red1984	62	....
100	£10	10.12	12	12	Brooke Bond Leibig 9½% Deb. '87/92	12¼	....
**	F.P.		98½	92	E. Worcs Waterworks 10¼% Rd. Prf. '86	92	....
¶100	F.P.		99¾	98¼	Hawley Leisure 12½% Cum. Pref.	98½	+ ¼
¶100	F.P.	—	99⅝	99½	Nat'wide Bdg Society16¼%Bds(27/10/82)	99½	....
97.29	£25	—	24½	22½	Nova Scotia (Province of) 6½% Ln2011.	24½	+ 1
¶£1	Nil	13/11	1pm	½pm	Staffs. Potts. 10% Cnv. Cum. Prf.	1pm	+ ½
—	..	..	3p	½p	Sterling Credit Warrants	2¼p	......
100	£10	10/12	12	12	TenderingH'dredWater10¼%Rd. Prf.'88	12¼	......

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1981 High	1981 Low	Stock	Closing price p	+ or —
14	F.P.	30/10	20/11	20	17	British Benzol	17	......
275	125p	13/7	2/12	182	104	BP	150	—2
20	Nil	13/11	11/12	1pm	1pm	Brown & Jackson	1pm	......
182	F.P.	23/10	27/11	191	182	Foseco Minsep	185	—1
90	F.P.	21/10	26/11	103	90½	Heelamat	103	......
350	F.P.	22/10	19/11	282	250	Viner's Unitar	352	+2
20	Nil	13/11	15/12	21pm	13pm	Websters	14pm	+1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. m Interim since increased or resumed. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1983. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✣ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Comprising 50 Ordinary of 1p and £1 of 10 per cent Loan 1988.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 2	Nov 13	Feb 11	Feb 22
Nov 16	Nov 27	Feb 25	Mar 8
Nov 30	Dec 11	Mar 11	Mar 22

For rate indications see end of Share Information Service

Call options were taken out in Lucas, Tubes, Tozer Kemsley and Millbourn, Candecca, Cliff Oil, Hill Samuel, Guinness Peat, NCC, New Throgmorton Warrants, Double Eagle, Burmah and Charterhall. A put was arranged in Hongkong and Shanghai Banking and a double was struck in Elsburg.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bowater	132	− 7	GUS "A"	390	+ 7
BP	308	+ 8	ICI	270	+ 4
Brengreen	55	+ 4½	Prov. Financial	103	+ 5
Coats Patons	60	− 2½	Shell Trans.	390	+ 18
GEC	662	− 1	UBM	52	+ 5
Glaxo	410	+ 4	Wearwell	69	+ 3

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
Berec	14	127	+11	Glaxo	10	408	+ 2
ICI	14	268	+ 2	RTZ	10	440	− 5
BP	11	300	+ 4	Coats Patons	9	62½	− 4½
Hanson Trust	11	278	+16	Gill and Duffus	9	142	− 5
Hopkinsons	11	94	+11	Plessey	8	308	+ 6
Press (Wm.)	11	65	− 8	GUS "A"	8	388	+ 5
GEC	10	623	+ 7	Shell Trans.	8	362	− 2

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thursday's closing price pence	Change on week	Stock	No. of price changes	Thursday's closing price pence	Change on week
GEC	84	683	+ 5	Marks Spencer	62	133xd	—
RTZ	83	440	−23	Plessey	62	306xd	+16½
ICI	82	265	+12	Racal Elec.	62	393	+ 2
Shell Trans.	75	362	+10	Euro. Ferries	56	89	+ 0½
BP	70	300	+ 8	LASMO	56	480	+ 5
Glaxo	67	405	+14	Thorn EMI	56	400	−15
KCA Int.	66	140	+13	Martin (R. P.)	48	325	−60

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14¼	1-year	1,000	1-3

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	†9.50	9.75	11.00	11.76 6 yrs. Sixty plus. 10.75 1 yr. high opt., 10.25-11.75 1-5 yrs. open bondshare
Aid to Thrift	†10.50	10.75	—	—
Alliance	†9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs., 10.00 1 yr.
Anglia	†9.50	9.75	11.00	12.00 6 yrs., 10.75 1 mth. not. int. loss
Bradford and Bingley	†9.25	9.75	11.00	10.75 1 mth. not. deposit
Bridgwater	†9.50	9.75	11.25	11.75 5 yrs., 10.85 2½ yrs.
Bristol Economic	†9.75	10.50	11.00	9.75 3 mths. not. and 10.75 on balances of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	†9.50	9.75	11.00	11.25 4 yrs., 11.00 2 months' notice
Burnley	†9.50	9.75	11.00	11.75 5 yrs., 10.75 3 mths.' notice
Cardiff	†9.50	10.50	11.50	—
Catholic	9.50	10.00	11.00	11.25 Extra share 3 months' notice
Chelsea	†9.50	9.75	11.00	11.75 5 yrs., 11.15 1 yr., 10.75 3 mths.
Cheltenham and Gloucester	†9.50	9.75	11.00	—
Citizens Regency	†—	10.00	11.25	12.00 5 yr., 11.05 3 mths.' not. a/c, 11.30 6 mths.' not. a/c
City of London (The)	†9.75	10.00	11.25	11.25 Capital City shs. 4 mths.' notice
Coventry Economic	†9.50	9.75	11.00	11.25 4 yrs., 11.00 3 yrs., 10.75 3 mths.
Coventry Provident	†9.50	9.75	11.00	10.75 E.I. a/c £500 min. 11.00 £5,000+
Derbyshire	†9.50	9.75	11.00	10.25-10.85 3 months' notice
Ealing and Acton	8.25	9.00	—	9.65 2 years, £2,000 minimum
Gateway	†9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	†—	10.75	—	— Plus a/c £500 min. Int. ½-yearly
Greenwich	—	8.75	10.00	10.75 5 yrs., 10.00 3 months' notice
Guardian	†9.50	10.00	—	11.75 6 mth, 11.25 3 mth, £1,000 min.
Halifax	†9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Heart of England	8.25	8.50	9.75	— 3 mths.' notice 9.50. 5 yrs. 10.50
Hearts of Oak and Enfield	9.50	10.00	11.50	11.25 4 yrs., 11.00 3 yrs., 10.75 2 yrs.
Hendon	†10.00	10.50	—	11.50 6 mths., 11.25 3 mths.
Huddersfield and Bradford	†9.50	9.75	11.00	11.25 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs.
Lambeth	8.25	8.75	10.50	10.75 5 yrs., 10.50 6 mths.
Leamington Spa	†9.60	9.85	13.20	11.35 (1 year)
Leeds Permanent	†9.50	9.75	11.00	10.50 E.I. a/c £500 min. 10.75 £5,000+
Leicester	†9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	†9.50	9.75	11.05	11.75 5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	†9.50	10.25	12.00	10.75 3 months' notice
Mornington	10.20	10.70	—	—
National Counties	†9.75	10.05	11.05	10.75 35 days' not. min. dep. £500, 6 mth. 11.15 min. dep. £500, 12.25 at 9 mths.' not. min. dep. £2,000
Nationwide	†9.50	9.75	11.00	11.75 5 yrs. £500 min. 90 days' not. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' not.
Newcastle	8.25	8.50	9.75	10.50 4 yrs., 9.50 2 mths.' not. or on demand 1 mth. interest penalty
New Cross	†10.50	10.75	—	10.75-11.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	†9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	8.25	8.50	10.00	9.50 3 yrs., 9.25 2 yrs., min. £500
Paddington	8.00	9.00	10.50	10.00 Loss 1 month int. on sums wdn.
Peckham Mutual	8.50	9.50	—	10.00 2 y, 10.50 3 y, 11.00 4 y, 9.75 Bns.
Portman	8.25	8.50	9.75	10.50 5 yrs., 9.55 6 months' notice
Portsmouth	†9.85	10.05	11.55	12.10 (5 yrs.) to 11.50 (6 mths.)
Property Owners	†9.75	10.25	11.75	11.75 4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00 4 yrs., 11.25 3 yrs., 10.75 2 mths.
Skipton	8.25	8.50	9.75	10.50 5 yr., 9.6-9.75 28 dys. int. or wdl.
Sussex County	†9.75	10.00	12.25	11.00 Instant withdrawal option
Sussex Mutual	8.50	9.10	10.50	9.25-10.50 all with special options
Town and Country	†9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 imm. wdl. 28 dys. int. loss
Walthamstow	‡9.50	10.00	11.00	11.00 6 months' notice, min. £1,000
Wessex	†9.75	10.75	—	—
Woolwich	8.25	8.50	9.75	10.50 3 months' notice account 9.50

*Rates normally variable in line with changes in ordinary share rates.
† Rates applicable as from November 1 1981. ‡ Rates applicable as from December 1 1981.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

* Denotes Irish currency.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

* Denotes Irish currency.

All England Lawn Tennis Gnd. £50Dbs. 1981-85 £6 800 (28/10)
Ann Street Brewery 305 (28/10)
Arsenal FC 150 (28/10)
Asprey 41 3 4 (27/10)
Assoc. Hotels 165 (27/10)
Aston Villa FC (1 vote) 800 (26/10)
Ayrton Saunders 7½pcCum.Pf. 45 (28/10)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

* Denotes Irish currency.

American Oil Field Systems 104 8
Aran Energy 24¼ 6 8
Atlantic Resources (IrE0.25) 210 5 25 30 5 40 2 5 50 65 80*
Berkeley Exploration and Production 327 8 30 5 9 40
Caledonian Offshore 95 100 (26/10)
Candecca Resources 190 1 2 3 4 5 6 7 8
Eglington Oil and Gas 100 (28/10)
Kenmare Oil Exploration 20
Marinex Petroleum 123 5 7
Steaua Romana (British) 55 5 (26/10)
Sun Oil Company (UK) 120 ¼ 5

MONEY MARKETS

London clearing bank base lending rates 15½ per cent (since October 15)

The Treasury bill rate fell 0.2918 per cent to 15.6619 per cent at yesterday's tender, and the minimum accepted bid rose to £96.09 from £96.015. Bids at that level were met as to about 71 per cent, compared with 40 per cent last week, and above in full. The £100m bills on offer attracted bids of £358.775m, against £290.225 for a similar number of bills previously, and all bills offered were allotted. Next week a further £100m will be on offer replacing the same amount of maturities.

Day-to-day credit was in short supply in the London money market, partly reflecting application for the Cable and Wireless share offer. The shortage was forecast at £150m in the morning, but was amended to £250m at noon.

It was expected that the main factors would be: maturing bills in official hands—£50m, and a rise in the note circulation—£130m to be partly balanced by Exchequer transactions +£30m.

The Bank of England bought £250m bills in the morning, comprising Treasury bills, local authority bills and bank bills in band 1 (up to 14 days maturity) and band 2 (15-33 days maturity) at interest rates between 15½-15¾ per cent. In the afternoon the authorities bought a further £41m local authority bills and bank bills in band 1 at 15½ per cent, and also lent £121m to five or six discount houses at a rate of 15½ per cent.

Discount houses paid up to 15½ per cent for secured call loans, but picked up late funds at 13½ per cent. In the interbank market overnight loans touched a peak of 18-19 per cent, but fell to 4 per cent, following the assistance of £412m given by the authorities.

EXCHANGES AND BULLION

The dollar fell quiet sharply against major currencies in fairly thin foreign exchange trading yesterday, reflecting both end of the week and end of the month book squaring operations. Sterling was firmer however, despite an early fall against Continental currencies, reflecting the lower trend in London interest rates. The pound was helped by expectations of a higher price for North Sea oil following the news from Opec on Thursday, and showed little reaction to the situation at BL, and the expected strike on Monday.

September's sharp fall in the index of leading U.S. economic indicators continued to depress the dollar, while news that a U.S. bank had cut its prime lending rate to 17 per cent was another factor against the U.S. currency.

The dollar's trade-weighted index (on Bank of England figures) fell to 108.8 from 109.4. It declined to DM 2.2425 from DM 2.27 against the D-mark; to FFr 5.6550 from FFr 5.6950 against the French franc; to SwFr 1.83 from SwFr 1.8575 in terms of the Swiss franc, and to Y233.10 from Y234.25 against the yen.

Sterling's index (Bank of England) rose to 88.7 from 88.5, after opening at 88.5 and rising to 88.6 at noon. The pound opened at $1.8485-1.8495, and fell to a low of $1.8425-1.8435. Shortly before the close it rose to $1.8615-1.8625, and finished at $1.8590-1.8610, a rise of 2.80 cents on the day. Sterling rose to DM 4.17 from DM 4.16; to FFr 10.5125 from FFr 10.4250; to Y433.50 from Y429.50, but was unchanged at SwFr 3.4050.

Gold rose $4 to $427-429 in the London bullion market. It opened at $428-429, and was fixed at $429 in the morning and $427 in the afternoon.

THE POUND SPOT AND FORWARD

Oct 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8425-1.8625	1.8590-1.8610	0.20-0.10c pm	0.97	0.20-0.10 pm	0.32
Canada	2.2200-2.2400	2.2360-2.2380	0.38-0.48c dis	−2.31	1.30-1.50dis	−2.50
Nethlnd	4.57-4.61	4.59½-4.60½	1¼-⅞c pm	2.93	4-3½ pm	3.26
Belgium	69.40-69.90	69.75-69.85	12-22c dis	−2.92	55-65 dis	−3.44
Denmark	13.36-13.46	13.43½-13.45½	2⅜-1⅛ore pm	1.23	3-1⅝ pm	0.69
Ireland	1.1720-1.1810	1.1785-1.1805	0.12-0.21p dis	−1.68	0.42-0.60dis	−1.73
W. Ger	4.15-4.18	4.16½-4.17½	1⅞-1⅝pf pm	4.68	5-4½ pm	4.56
Portugal	118.00-120.25	119.80-120.20	50-340c dis	−19.50	90-600 dis	−11.50
Spain	177.50-179.50	179.00-179.20	5c pm-20 dis	−0.50	20-50 dis	−0.78
Italy	2,210-2,229	2,227-2,229	8¾-11¾ lire dis	−5.52	33-38 dis	−6.37
Norway	10.96-11.06	11.05-11.06	2⅝-2⅛ ore pm	2.58	7-5⅞ pm	2.33
France	10.42-10.52	10.50¾-10.51¾	par-1c dis	−0.57	3-4 dis	−1.33
Sweden	10.25-10.34	10.33-10.34	2¼-2ore pm	2.76	8½-7¾ pm	3.14
Japan	425-435	433-434	3.50-3.20y pm	9.27	9.55-9.25 pm	8.67
Austria	29.10-29.40	29.32-29.37	13-8gro pm	4.29	32-22 pm	3.68
Switz.	3.39-3.43	3.40-3.41	1⅝-1¼c pm	4.84	4½-3⅞ pm	4.85

Belgian rate is for convertible francs. Financial franc 77.40-77.50. Six-month forward dollar par-0.08c dis. 12-month 0.05-0.85c dis.

GOLD

	Oct. 30		Oct. 29	
Gold Bullion (fine ounce)				
Close	$427-429	(£231½-232½)	$423½-424½	(£231¼-231¾)
Opening	$428-429	(£232-232½)	$423-424	(£232¼-232¾)
Morning fixing	$429	(£232.520)	$422.25	(£232.069)
Afternoon fixing	$427	(£231.248)	$424.50	(£231.398)
Gold Coins				
Krugerrand	$441-442	(£239-239½)	$439½-440½	(£240-240½)
½ Krugerrand	$227-228	(£123-123½)	$226¼-227¼	(£123½-124)
¼ Krugerrand	$115¾-116¾	(£62¾-63¼)	$115¼-116¼	(£63-63½)
1/10 Krugerrand	$47¼-48¼	(£25½-26)	$47-48	(£25½-26¼)
Mapleleaf	$441-444	(£239-240½)	$439½-442½	(£243¼-245)
New Sovereigns	$104½-105½	(£56½-57)	$104¼-104¾	(£57-57¼)
King Sovereigns	$116-118	(£63-64)	$115½-116½	(£63-63½)
Victoria Sovs.	$116-118	(£63-64)	$115½-116½	(£63-63½)
French 20s	$99-109	(£53½-59)	$98½-108½	(£53½-59¼)
50 pesos Mexico	$500-533	(£287-288¾)	$526½-529¾	(£287¼-289)
100 Cor. Austria	$414-417	(£224¼-226)	$411-414	(£224¼-226)
$20 Eagles	$565-570	(£306-308¼)	$570-575	(£311-313¼)

EXCHANGE CROSS RATES

Oct. 30	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
Pound Sterling	1.	1.860	4.170	433.5	10.513	3.405	4.600	2228.	2.237	69.80
U.S. Dollar	0.538	1.	2.242	233.1	5.652	1.831	2.473	1198.	1.203	37.53
Deutschemark	0.240	0.446	1.	104.0	2.521	0.817	1.103	534.3	0.536	16.74
Japanese Yen 1,000	2.307	4.291	9.619	1000.	24.25	7.855	10.61	5140.	5.160	161.0
French Franc 10	0.951	1.769	3.967	412.4	10.	3.239	4.376	2119.	2.128	66.40
Swiss Franc	0.294	0.546	1.225	127.3	3.087	1.	1.351	654.3	0.657	20.50
Dutch Guilder	0.217	0.404	0.907	94.24	2.285	0.740	1.	484.3	0.486	15.17
Italian Lira 1,000	0.449	0.835	1.873	194.6	4.718	1.528	2.065	1000.	1.004	31.33
Canadian Dollar	0.447	0.831	1.864	193.8	4.699	1.522	2.056	996.0	1.	31.20
Belgian Franc 100	1.433	2.665	5.974	621.1	15.06	4.878	6.590	3192.	3.205	100

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Oct. 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	15½-16⅛	14⅜-14⅝	20-21	12¾-12⅞	3½-4	11-11⅛	15¼-15½	17-18½	14-16	5⅝-6¼
7 days' notice	15⅞-16⅛	14½-14⅝	20-21	12¾-12⅞	7-7½	11½-11¾	15¾-16	19¾-21¼	17-19	6⅛-6⅜
Month	16-16⅛	14⅞-15⅛	18¾-19⅛	12⅛-12⅜	9⅞-10	11⅛-11¼	16⅛-16½	20½-21½	18-20	6⅛-6⅜
Three months	16-16⅛	15½-15⅝	18¾-19⅛	12⅝-12⅞	10⅜-10¾	11⅜-11½	17¾-18¼	21½-22¾	19-20½	7⅛-7⅜
Six months	16¼-16⅜	15⅞-16⅛	18¾-19⅛	12⅛-12⅜	10⅜-10½	11⅛-11⅜	18⅝-19⅛	22⅞-23½	19-20	7¼-7½
One Year	15¾-16	16-16¼	18¾-19⅛	12⅛-12⅜	9¾-9⅞	11¼-11⅜	18½-19¼	23¼-24½	17¼-18	7⅝-7⅞

SDR linked deposits: one month 13⅝-13⅞ per cent; three months 14-14⅜ per cent; six months 14⅜-14⅝ per cent; one year 14⅜-14⅝ per cent.
ECU linked deposits: one month 14⅞-14⅞ per cent; three months 15⅜-15⅝ per cent; six months 15⅜-15⅝ per cent; one year 15⅜-15⅝ per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 30)

LONDON MONEY RATES

OTHER CURRENCIES

	£	$		£ Note Rates
Hong Kong Dollar	10.80½-10.82½	5.8600-5.8650	Italy	2175-2235
Iran Rial	146.40*	80.60*	Japan	430-435
Kuwait Dinar (KD)	0.519-0.525	0.2818-0.2823	Netherlands	4.56¼-4.61¼
Luxembourg Fr.	69.75-69.85	37.53-37.55	Norway	10.93-11.05
Malaysia Dollar	4.2015-4.2115	2.2785-2.2805	Portugal	117½-129
New Zealand Dlr.	2.2455-2.2505	1.2160-1.2170	Spain	176¾-188½
Saudi Arab. Riyal	6.28-6.34	3.4180-3.4200	Sweden	10.22-10.32
Singapore Dollar	3.8325-3.8425	2.0790-2.0820	Switzerland	3.39-3.43
Sth. African Rand	1.7910-1.7930	0.9630-0.9640	United States	1.83½-1.86½
U.A.E. Dirham	6.75-6.81	3.6700-3.6750	Yugoslavia	81-85

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 17.037-17.057, and for the dollar 9.200-9.250. *Selling rate.

CURRENCY MOVEMENTS

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 30	% change from central rate	% change adjusted for divergence	Divergence limit %
German D-Mark	2.40989	2.43804	+1.17	+0.96	±1.1077
French Franc	6.17443	6.13033	−0.71	−0.92	±1.3733
Dutch Guilder	2.66382	2.68727	+0.88	+0.67	±1.5...
Irish Punt	0.684452	0.689297	+0.71	+0.50	±1.6688
Italian Lira	1300.67	1299.75	−0.07	−0.07	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for October 30 — 0.586509

U.K. CONVERTIBLE STOCKS 30/10/81

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♧	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	240.50	333.3	80-97	5.0	3.0	2.3	−5 to 11	16.5	85.2	28.2	+26.9
Hanson Trust 6½pc Cv. 88-93	3.02	138.50	57.1	76-82	4.7	0.8	−13.1	−13 to 4	4.2	0.0	−2.7	+10.5
Slough Estates 10pc Cv. 87-90	5.31	213.50	187.5	78-84	4.8	..	−1.8	−8 to 5	18.9	22.0	1.4	+3.2
Slough Estates 8pc Cv. 91-94	24.88	101.00	75.0	80-91	8.1	8.2	11.6	6 to 27	27.7	47.0	21.3	+9.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♧ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

British Funds firm again on easier interest rates
Equities subdued awaiting Cable and Wireless result

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 12	Oct 22	Oct 23	Nov 2
Oct 26	Nov 5	Nov 6	Nov 16
Nov 9	Nov 19	Nov 20	Nov 30

* "New time" dealings may take place from 9 am two business days earlier.

Equity markets ended the week with the volume of business down to a trickle. Huge amounts of money, guesstimates ranged to £1bn and more, locked into yesterday's Cable and Wireless offer for sale and the crisis at Leyland were the chief restraining influences.

Gilt-edged, on the other hand, attracted a reasonable two-way trade as quotations moved higher again in response to further strength in sterling helped by the turndown in American and domestic short-term money rates. Gains in the long-dated issues ranged to ½ before slipping back by ¼ and the £25-paid Treasury 15 per cent 1997 tap moved up ¼ more to £22¾. The mediums usually held their best levels of the day and short-dated stocks also closed at the best, the latter with further rises generally ranging to ¼.

The Government Securities Index improved 0.15 for a net rise of 0.77 on the week to 61.16, which is over 1½ per cent up on last Monday's five-year low.

Equities got off to a quietly firm start led by Oils following the Opec pricing agreement; the sector later ran into profit-taking but ended with a burst of strength on the Saudi production cutback. ICI, 4 up at 270p, improved further following comment on the third-quarter figures, but there was no sign of the mood spreading to other leaders with the usual week-end influences added to by the wait for the Cable and Wireless allotment result, expected on Monday.

The tone in equities was well reflected in the FT 30-Share Index: up at every count, the index gain at its best was limited to 1.5 and the closing rise of 0.8 at 468.5 left this measure 6.6 up on the week.

Demand for Traded options improved sharply and 1,331 contracts were taken out which compares with the previous two-day average of 497. The week's daily average amounted to 767 — the lowest since early March. Yesterday's increased business was mainly due to a revival of interest in **ICI and Lonrho** positions which attracted 258 and 275 calls respectively.

Provident Fin. up

Features were few and far between in a lethargic banking sector. Revived speculative support prompted improvements of 5 and 1½ respectively in **Provident Financial**, 103p, and **FNFC**, 28½. **Union Discount** picked up 20 to 420p. Still reflecting fading bid hopes, **Grindlays** fell 4 making a decline on the week of 16 at 186p.

Insurances plotted an irregular course in thin trading. Life issues came on offer with **Legal and General** notable for a fall of 8 to 200p. **Hambro Life** shed 5 to 306p as did **Prudential**, to 206.

Relief that the interim loss was no greater and that the group had declared a small dividend, whereas none had been expected, caused a flurry of business in **UBM** which closed 5 up at 52p; bid speculation was also a factor. Among other contractors, **J. Smart** hardened 2 to 53p in response to the half-year profits. Elsewhere, news of the clay pit sale and related developments triggered support of **Baggeridge Brick**, up 7 at 68p, after 70p. Against the general trend, **J. Finlan** slipped back 6 to 166p, while **S. Miller** fell 3 to 9p on the dismal interim statement.

ICI continued to benefit from the third-quarter figures and gained 4 to 270p. **Coates Bros. A** rose 3 to 48p, maintenance of the interim dividend outweighing the reduced profits.

Leading Stores passed another quiet and uneventful session, although a firmer tone developed in the late trade. **Gussies A** remained firm awaiting the annual report and added 7 for a gain on the week of 22 at 390p. **Mothercare**, a dull market since the disappointing interim figures, rallied 4 to 136p, sentiment being helped by a broker's long-term "buy" recommendation. Company trading statements provided some interest in idle secondary issues. Preliminary profits from **J. Hepworth** fell at the lower end of market estimates and the shares, firm of late, eased 3 to 90p. Interest also revived in Mr Asil Nadir's trio of quoted companies; **Polly Peck** advanced 11 to 336p following the expected return to profits and the dividend list, while results from **Wearwell** also pleased and the close was 3 higher at 69p, after 70p and **Cornell Dresses**, which announced a possible diversification into the poultry industry, added a couple of pence to 148p. **H. Goldman**, a takeover favourite earlier in the year, revealed a return to profits at the interim stage and ended a penny to the good at 33p. Mail-orders also took on a firmer stance under the lead of **Freemans**, 6 up at 104p.

Apart from a fall of 10 to 373p in **Racal**, the Electrical leaders closed little changed on balance. **GEC** touched 677p before closing a net penny off at 682p. Elsewhere, **Berec** improved 3 for a two-day jump of 14 to 130p on further consideration of the agreed share-exchange counter-bid from **Thomas Tilling** worth 133p per share with the latter closing a further penny lower at that level. Original bidders — **Hanson Trust**, which rose smartly late Thursday on hopes that the contest was now over, reacted 7 to 269p on thoughts that the Board might raise its offer. **Derritron** cheapened a penny to 9p on the increased interim deficit.

In Engineerings, **Tubes** rose 4 to 100p and **Vickers** edged forward a penny to 146p. Still reflecting recovery hopes, **Burgess Products** added 5 for a two-day rise of 11 to 47p, while **Linread** hardened a penny to 19p despite the lower profits and halved annual dividend. **James Neill** softened a penny to 25p on the £1.1m half-year deficit.

Leading Foods were selectively firm. **J. Sainsbury**, mid-term results due next Wednesday, advanced 10 to 445p, while support was also forthcoming from **RHM**, 2 better at a 1981 peak of 56p. **Argyll**, a dull market recently, rallied 5 to 89p. **Chambers and Fargus** closed a few pence to the good at 26p after favourable Press comment.

Bowater dull

Interest in the miscellaneous industrial leaders was at a low ebb and the closing trend was mixed. **Bowater** succumbed to sporadic offerings and an almost total lack of support and ended 7 down at 192p. Already a strong market this week following Press comment highlighting the profit potential of its new drug, Zantac, **Glaxo** were stimulated further by publicity given to a broker's favourable circular and the close was 4 up making a gain on the week of 22 at 410p. Elsewhere, **ICL** fell 3 to 37p on reports that the Japanese authorities are insisting that the group provides guarantees of about £100m to underwrite its recent collaboration agreement with Fujitsu; the chairman's reassuring statement made no impact on sentiment. **Davies and Newman** were marked down 10 to 85p on the near-£2m half-year loss and the interim dividend omission. **R. H. Cole** fell 4 to 40p, also following poor interim trading news. **Brengreen**, on the other hand, rose 4½ to 55p following revived investment demand, while **J. and J. Dyson** continued to attract support in a thin market and closed 5 better for a rise on the week of 15 at 73p. **Priest Marians** firmed 4 to 185p following the results.

Further consideration of the mid-term results put **Boosey and Hawkes** up 3 for a rise on the week of 12 at 140p. Elsewhere, small demand lifted **Trident TV A** 3½ to 46½p and **SelecTV** 3 to 39p, but **Samuelson Film Service** were lowered 10 to a low for the year of 120p.

News that white-collar workers at BL have voted to accept the 3.8 per cent pay offer left Motor Components slightly firmer. **Lucas** closed a net 3 up at 178p, still 8 down on the week. Press comment highlighting takeover prospects prompted selective support of Distributors; **Lookers** added 3 to 48p, while similar gains were marked against **Appleyard**, 67p, and **Harold Parry**, 71p.

Berkeley Hambro stood out in Properties and after-hours rose to 220p for a gai nof 8. Features were otherwise scarce but included **Property and Reversionary** which advanced 5 to 147p on acquisition news. Elsewhere, scattered buying developed for **Markheath Securities**, up 5 at 115p, and for **British Land**, 2 better at 72p.

Oils strong late

Indecisive for much of the session, Oils turned sharply higher late on the Saudi decision to cut production by 7.5m barrels a day. **Shell** were particularly good and closed 18 up at 380p, **Tricentrol** gained a similar amount to 264p and **Ultramar** put on 12 at 490p. **British Petroleum** slipped back at one stage to 298p before reviving to finish 8 higher on balance at 308p, while **Lasmo** rebounded from a lower early level of 470p to 490p, a net gain of 10.

Overseas Traders remained irregular. **Gill and Duffus**, a weak market of late following the chairman's forecast of lower full-year earnings, subsequently reduced further by news of commodity trading losses in Hong Kong, attracted useful support and rallied 6 to 148p, but **Thomas Borthwick**, recently assured of bankers' support for at least the coming year, eased a couple of pence to 16p.

Money brokers continued to feature Financials. **R. P. Martin** eased 10 to 315p on profit-taking but still retained a gain on the week of 45. **Mill and Allen**, which has substantial money broking activities, closed 18 higher for a two-day jump of 36 at 428p.

Textiles ended the week on a dull note. Further consideration of the disappointing half-timer clipped 2½ more from **Coats Patons**, 60p, while **Courtaulds** eased a penny to a 1981 low of 49p. **S. Jerome** gave up 4 to 98p following the interim results.

Quiet Mines

Mining markets continued to lose ground on lack of interest. South African Golds drifted throughout the session and generally closed at the day's lows as the bullion price failed to register any significant progress prior to closing $4 up at $428 an ounce.

The Gold Mines Index gave up 2.7 more to 350.4 — a week's fall of 24.6 and its lowest level since August 11.

Heavyweights showed losses ranging to ¾ common to **Doornfontein**, £10, **Southvaal**, £16¾ and **Vaal Reefs**, £32¾, while, in the cheaper-priced issues, **Blyvoor** dipped 12 to 628p.

Little interest was shown in Financials. South Africans provided a lone feature in **De Beers**, which advanced 10 to 350p following persistent and sizeable investment demand from London and the Continent.

Price changes in the London-registered Financials were minimal. **Tanks** moved narrowly in the wake of the company's response to the takeover from Societe Generale de Belgique and closed unaltered on balance at 450p, while **Rio Tinto-Zinc** ended 2 higher at 442p.

Fears over the direction of the U.S. economy let to another depressing day in Australians which drifted easier on lack of interest.

North Broken Hill eased 2 to a 1981 low of 147p following the sharp contraction in profits in the September quarter.

The oil and gas sector provided the day's only significant improvement as **Beach Petroleum** rose 7 to 107p following the 1,800 barrels a day oil flow from the West Seahorse 1 wildcat well drilled in the Gippsland Basin off the coast of Victoria.

A quietly firm Platinums section saw **Rustenburg Platinum** move up 3 to 288p while, in Coppers, **Messina** added 5 to 335p.

Elsewhere, the antimony-producing **Consolidated Murchison** advanced 10 to 290p following persistent Johannesburg interest.

FINANCIAL TIMES STOCK INDICES

	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 23	A Year ago
Government Secs	61.16	61.01	60.62	60.46	60.17	60.39	70.94
Fixed Interest	61.83	61.78	61.63	61.61	61.51	62.19	72.14
Industrial Ord.	468.5	467.7	466.7	465.0	461.8	461.9	485.5
Gold Mines	350.4	353.1	365.3	356.8	356.3	375.0	504.9
Ord. Div. Yield	6.33	6.35	6.37	6.40	6.44	6.46	7.47
Earnings, Yld. % (full)	10.80	10.83	10.87	10.91	10.98	11.0	16.87
P/E Ratio (net) (*)	11.89	11.85	11.81	11.76	11.69	11.67	7.83
Total bargains	13,054	13,415	15,323	13,517	13,800	16,174	18,877
Equity turnover £m.	—	68.50	85.57	68.10	61.93	108.18	134.75
Equity bargains	—	8,778	9,802	9,564	8,872	12,644	16,273

10 am 468.6. 11 am 469.2. Noon 468.7. 1 pm 469.0.
2 pm 468.7. 3 pm 468.5.
Latest Index 01-246 8026.
*Nil = 10.57.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	60.17 (26/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	61.61 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/3)	262.6 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 29	Oct. 28
Daily Gilt Edged Bargains	166.8	152.5
Equities Bargains	56.9	80.3
Equities Value	139.4	168.9
5-day Avrge. Gilt Edged Bargains	164.8	152.2
Equities Bargains	58.8	67.0
Equities Value	157.5	170.8

MONTHLY AVERAGES OF STOCK INDICES

—	October	September	August	July
Financial Times				
Government Securities	61.16	62.80	64.48	64.31
Fixed Interest	62.46	64.57	66.09	66.58
Industrial Ordinary	474.6	525.0	554.4	528.1
Gold Mines	380.9	396.1	356.2	313.0
Total Bargains	15,995	18,941	17,157	17,890
F.T.— Actuaries				
Industrial Group	264.97	289.46	306.73	293.96
500 Share	298.30	320.64	343.26	327.45
Financial Group	239.38	258.68	273.86	256.38
All-Share (750)	286.50	308.65	329.84	[illegible]

	High	Low
Industrial Ordinary	[illegible]	[illegible]
All-Share	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (6)

FOODS (1)
R.H.M.

INDUSTRIALS (4)
Amal. Metal; Dyson (J. & J.); Petrocon; Do. A

INSURANCE (1)
Howden (A.) Warr.

NEW LOWS (31)

AMERICANS (1)
Woolworths

CANADIANS (4)
Brascan; Hawker Sidd. Can.; Can. Pacific Ent.; Inco

BUILDINGS (1)
Brown & Jackson

STORES (3)
Church; Walker (Jas.); Executex

ELECTRICALS (1)
Forward Tech.

ENGINEERING (5)
Priest (Ben.); Richardsons Westgth.; R.H.P.; Stothert & Pitt; Ransomes Sims

INDUSTRIALS (5)
Aaronson Bros.; Hawtin; Diploma; Low & Bonar; Hartons

INSURANCE (2)
Commercial Union; Prudential

LEISURE (1)
Samuelson

TEXTILES (2)
Courtaulds; Shaw Carpets

OILS (2)
Bula Res.; Woodside

OVERSEAS TRADERS (1)
Inchcape

MINES (3)
Cons. Gold Mining; North Broken Hill; Greenbushes Tin

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	84	—	7	333	83	39
Corpns. Dom. and Foreign Bonds	12	3	56	60	25	269
Industrials	190	187	1,001	1,089	882	4,886
Financial and props.	110	50	348	565	336	1,638
Oils	24	24	55	129	150	236
Plantations	4	3	18	17	10	88
Mines	30	51	86	140	316	379
Others	13	84	92	188	305	448
Totals	467	396	1,661	2,521	2,107	7,983

LEADERS AND LAGGARDS

Percentage changes since December 31, 1980, based on Thursday, October 29, 1981

Insurance Brokers	+27.51	Hire Purchase	+ 2.07
Tobaccos	+21.42	Banks	+ 1.58
Health and H'sehold Products	+20.61	Mechanical Engineering	+ 1.26
Contracting, Constructing	+18.40	Financial Group	+ 1.25
Food Manufacturing	+15.12	Mining Finance	+ 0.67
Other Industrial Materials	+12.57	All-Share Index	− 2.53
Textiles	+11.44	500-Share Index	− 3.26
Engineering Contractors	+10.65	Investment Trusts	− 3.96
Electricals	+10.26	Merchant Banks	− 4.27
Leisure	+ 9.75	Brewers and Distillers	− 5.58
Capital Goods	+ 8.07	Other Groups	− 6.93
Building Materials	+ 7.89	Property	− 6.99
Insurance (Composite)	+ 7.34	Office Equipment	− 7.70
Metals and Metal Forming	+ 6.66	Chemicals	− 9.23
Food Retailing	+ 6.33	Overseas Traders	− 9.53
Insurance (Life)	+ 4.41	Motors	− 9.75
Packaging and Paper	+ 4.25	Stores	−13.32
Other Consumer	+ 3.38	Gold Mines Index	−13.35
Industrial Group	+ 3.27	Shipping and Transport	−15.28
Newspapers, Publishing	+ 3.10	Discount Houses	−21.22
Consumer Group	+ 2.75	Oils	−25.16

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri., Oct. 30, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur. Oct. 29 Index No.	Wed. Oct. 28 Index No.	Tues. Oct. 27 Index No.	Mon. Oct. 26 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (210)	310.37	−0.1	11.31	5.08	10.94	310.60	310.18	308.40	305.72	292.67	380.30 (28/8)	272.28 (15/1)	380.30 (28/8/81)	50.71 (13/12/74)
2	Building Materials (25)	266.15	+0.2	16.87	6.46	6.76	265.58	265.89	263.88	262.20	248.12	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	480.20	+0.3	19.67	5.74	5.94	478.84	479.76	475.74	474.60	423.74	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (30)	1049.95	−0.5	8.69	2.73	14.37	1055.56	1045.60	1042.27	1029.37	952.84	1266.15 (28/8)	888.13 (15/1)	1266.15 (28/8/81)	84.71 (25/6/62)
5	Engineering Contractors (9)	439.21	−0.1	14.75	6.26	8.00	439.82	438.39	433.56	426.31	362.54	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (66)	174.41	+0.4	12.67	6.29	10.26	173.70	173.92	172.38	171.07	179.36	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	146.92	+0.3	9.81	8.06	13.81	146.48	146.38	145.91	145.13	151.60	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	83.65	+0.5	—	8.09	—	83.20	84.14	84.96	84.52	92.58	112.76 (1/5)	83.20 (29/10)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	323.31	−0.1	10.21	6.99	11.92	323.54	328.43	325.12	323.61	0.00	405.13 (14/8)	277.55 (15/1)	405.13 (14/8/81)	277.55 (15/1/81)
21	CONSUMER GROUP (198)	245.60	+0.4	14.26	6.62	8.64	244.67	244.18	243.02	241.90	243.48	296.18 (17/8)	227.50 (14/1)	296.18 (17/8/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	248.17	−0.1	18.08	7.80	6.67	248.51	249.28	248.08	246.11	277.31	325.16 (16/6)	244.42 (15/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	244.56	+0.6	16.39	6.89	7.36	243.00	241.47	240.23	239.33	213.87	277.87 (3/9)	204.17 (14/1)	277.67 (3/9/81)	59.67 (11/12/74)
26	Food Retailing (15)	500.12	+1.1	9.80	3.63	12.36	494.75	487.54	487.24	483.78	409.03	572.90 (3/9)	440.89 (11/3)	572.90 (3/9/81)	54.25 (11/12/74)
27	Health and Household Products (7)	319.61	+0.4	9.28	4.79	12.80	318.49	318.08	311.89	310.30	226.68	363.73 (3/9)	245.38 (14/1)	363.73 (3/9/81)	175.38 (28/5/80)
29	Leisure (24)	383.83	+0.2	10.58	5.74	11.70	383.05	381.41	381.17	381.25	354.08	476.41 (14/8)	327.38 (16/1)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	434.57	−0.8	14.54	6.94	9.85	438.10	438.58	436.66	436.13	441.76	526.15 (11/5)	414.73 (29/9)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	118.22	−1.0	15.79	9.01	7.70	119.43	119.98	119.27	118.73	122.15	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (46)	216.59	+1.2	13.34	6.19	10.02	214.07	213.35	212.55	211.94	252.94	294.06 (30/4)	211.94 (26/10)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	137.39	−1.1	9.22	6.69	15.08	138.94	142.88	142.03	139.21	130.56	172.24 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	240.97	−0.6	23.60	10.80	4.88	242.36	242.36	243.85	243.47	219.04	271.22 (28/8)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (14)	246.03	−0.1	8.93	7.05	17.40	246.19	243.85	240.52	240.92	0.00	311.40 (1/5)	229.84 (28/9)	311.40 (1/5/81)	229.84 (28/9/81)
41	OTHER GROUPS (79)	205.91	+0.3	12.06	6.85	10.60	205.31	204.00	203.37	202.55	222.11	249.19 (30/4)	191.89 (28/9)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (16)	272.42	+1.1	5.85	6.59	28.68	269.54	267.72	266.97	265.68	302.53	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (4)	92.79	−1.0	19.71	9.49	6.07	93.70	92.99	93.05	92.80	108.61	129.79 (22/4)	92.79 (30/10)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	454.70	−0.1	23.31	8.06	5.11	455.38	453.52	449.90	444.28	574.84	644.76 (24/4)	430.38 (28/9)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (46)	264.27	−0.2	14.31	6.27	8.44	264.91	263.22	262.52	262.39	282.83	314.68 (3/9)	240.95 (26/9)	314.68 (3/9/81)	60.39 (6/1/75)
49	INDUSTRIAL GROUP (487)	262.24	+0.2	12.87	6.07	9.64	261.72	261.11	259.83	258.25	256.70	315.22 (17/8)	241.24 (15/1)	315.22 (17/8/81)	59.01 (13/12/74)
51	Oils (13)	718.35	+3.4	19.82	7.86	5.71	694.94	692.45	703.85	699.11	997.65	923.71 (2/1)	598.95 (28/9)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	299.13	+0.8	14.21	6.41	8.51	296.82	296.06	295.80	293.96	317.06	353.39 (17/8)	276.01 (28/9)	353.39 (17/8/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (119)	237.53	—	—	6.40	—	237.68	238.03	236.24	235.54	256.31	279.45 (1/9)	223.02 (28/9)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	251.16	+0.2	35.55	7.50	3.31	250.75	250.16	247.99	247.53	265.26	227.39 (17/7)	220.84 (11/3)	298.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	232.04	+1.5	—	9.66	—	228.63	230.58	230.75	232.32	299.86	314.03 (20/3)	227.70 (29/9)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3)	208.80	+3.7	14.90	8.85	9.29	201.39	202.26	204.35	206.71	236.67	274.53 (25/3)	186.09 (28/9)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (9)	236.24	−2.0	—	6.77	—	240.94	242.06	240.32	240.42	264.89	298.44 (1/9)	222.74 (7/1)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (10)	158.42	+0.2	—	8.45	—	158.09	159.00	158.02	155.47	172.90	188.09 (1/9)	142.06 (19/1)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (8)	405.82	−0.4	11.38	5.94	11.95	407.46	408.81	406.73	404.17	340.00	443.91 (11/9)	294.21 (20/1)	443.91 (11/9/81)	65.86 (16/12/74)
68	Merchant Banks (13)	141.94	—	—	5.67	—	141.88	140.93	137.93	138.10	162.57	179.36 (2/7)	127.53 (28/9)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (50)	415.08	+0.3	4.70	3.44	28.71	413.92	414.69	412.47	414.44	466.80	517.77 (2/4)	377.11 (28/9)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10)	162.75	+0.4	19.74	6.75	6.16	162.11	161.61	159.94	159.54	165.38	186.99 (13/8)	145.06 (28/9)	303.18 (28/5/72)	33.29 (17/12/74)
71	Investment Trusts (110)	273.80	+0.4	—	5.90	—	270.71	269.68	266.75	265.68	293.35	332.90 (17/8)	257.70 (28/9)	332.90 (17/8/81)	71.63 (13/12/74)
81	Mining Finance (4)	230.35	+0.2	14.96	6.15	8.05	229.93	232.86	231.49	229.73	271.09	296.26 (14/8)	200.76 (6/2)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (17)	390.39	+0.7	13.47	8.21	9.07	387.56	390.38	381.55	381.09	453.20	488.51 (18/5)	369.85 (28/9)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	286.30	+0.6	—	6.40	—	284.60	284.23	283.30	281.76	306.26	338.64 (17/8)	265.85 (28/9)	338.64 (17/8/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri. Oct. 30	Day's change %	Thur. Oct. 29	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	104.38	+0.31	104.06	—	9.10
2	5-15 years	98.21	+0.35	97.86	—	11.03
3	Over 15 years	99.22	+0.30	98.92	—	12.32
4	Irredeemables	104.55	+0.36	104.18	—	13.50
5	All Stocks	100.24	+0.32	99.92	—	10.76
6	Debentures & Loans	76.99	+0.15	76.59	—	9.63
7	Preference	58.87	+0.05	58.95	—	6.30

	AVERAGE GROSS REDEMPTION YIELDS		Fri. Oct. 30	Thur. Oct. 29	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low	5 years	13.78	13.85	11.60	14.17 (26/10)	11.20 (20/3)
2	Coupons	15 years	14.29	14.33	11.57	14.99 (26/10)	11.86 (20/3)
3		25 years	14.31	14.35	11.57	14.53 (26/10)	11.88 (6/1)
4	Medium	5 years	16.30	16.38	13.19	16.80 (26/10)	12.91 (20/3)
5	Coupons	15 years	16.13	16.17	13.19	16.45 (26/10)	13.32 (20/3)
6		25 years	15.60	15.63	12.92	15.90 (28/9)	13.03 (20/3)
7	High	5 years	16.12	16.21	13.28	16.62 (26/10)	12.93 (20/3)
8	Coupons	15 years	16.32	16.34	13.44	16.59 (26/10)	13.54 (20/3)
9		25 years	15.80	15.83	13.08	16.98 (28/9)	13.15 (20/3)
10	Irredeemables †		13.94	13.98	11.07	14.22 (2/10)	11.35 (20/3)
11	Debs & Loans	5 years	17.00	17.01	13.95	17.37 (28/9)	13.80 (27/3)
12		15 years	16.91	16.93	[illegible]	17.31 (28/9)	14.16 (27/3)
13		25 years	16.85	16.90	13.70	17.23 (28/9)	14.25 (27/3)
14	Preference		16.82	16.83	14.61	16.83 (29/10)	14.21 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.
CONSTITUENT CHANGES: Provident Life Association of London (Insurance Life), Advance Services (Miscellaneous) and Letraset (Office Equipment) have been deleted and replaced by English Association Group (Miscellaneous Financial), Brengreen (Holdings) (Miscellaneous) and Habitat Group (Stores) respectively.

OFFSHORE & OVERSEAS-contd.

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED

Abbey Unit Tst. Mgrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Archway Unit Tst. Mgs. Ltd.(a)(c)

Arkwright Management

Barclays Unicorn Ltd.(a)(c)(g)

Baring Brothers & Co., Ltd (a)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)

The British Life Office Ltd (a)

Brown Shipley & Co. Ltd. (a)(g)

Canada Life Unit Trust Mngrs. Ltd.

Cannon Fund Managers Ltd. (a)(g)

Cap (James) Mngt. Ltd.

Carl. Selwy Unit Trust Managers (a)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a)(g)

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Dartington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M. (a) (b) (c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Robert Fraser Trust Mgt. Ltd.

Friends Prov. Trust Managers (a)(b)(c)

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hill Samuel Unit Tst. Mgrs.

HK Unit Trust Managers Ltd.

Investment Intelligence Ltd.

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

McAnally Fund Management Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngemnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a) (g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a) (b) (c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g) (z)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Scottish Widows' Fund Management

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mangmt. Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd.(a)(c)

Target Tst. Mngrs. Ltd. (a) (g)

Tower Unit Trust Mngmt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd.(a)(b)(c)

TSB Unit Trusts (b) (c) (y)

Ulster Bank (a)

Unit Trust Account & Mngmt. Ltd.

INSURANCE & PROPERTY

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance PLC

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assurance Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Assc. Co. Ltd.

Prudential Pensions Limited

Refuge Investments Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Amicable Investments

Scottish Mutual Assurance Society

Scottish Widows' Group

Solar Life Assurance Limited

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions(a)(b)(c)

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS

Adig Investment

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Ltd.

B.I.A. Bond Investments AG

Bank of America International S.A.

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Inst. Investment Mngt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd.

Capital International S.A.

Capital Asset Managers Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98⅜	95¹³⁄₁₆	Treas. 8½pc '80-82‡‡	98⅜	+¹⁄₁₆	8.64	16.26
96¾	91¾	Treasury 3pc '82‡‡	96¼	+¼	3.10	14.63
107	99¼	Treasury 14pc '82‡‡	99½	+⅛	14.07	15.31
99¹¹⁄₁₆	98³⁄₁₆	Treas. Variable '82§§	99¼	......	16.58	17.59
96⁷⁄₁₆	93¹³⁄₁₆	Treasury 8¼pc '82	95⅝	+⅛	8.67	16.03
96³⁄₁₆	93½	Exch. 9¼pc 1982	94¾	+⅛	9.76	15.72
95¼	92⅝	Exch. 8¾pc 1983	94⅛	+⅛	9.30	14.24
92¼	84⅞	Exch. 3pc 1983	89⅝	+⅛	3.35	11.77
99⅞	95	Treasury 12pc 1983‡‡	96¼	+⅛	12.47	15.10
99½	96¾	Treas. Variable '83§§	99½xd	......	13.46	16.98
97⅝	90⅛	Treasury 9½pc '83	97⅝	+⅛	10.10	14.92
101¹¹⁄₁₆	95¼	Exch. 13¾pc '83	96⅝xd	+⅛	13.97	15.52
94⅛	89¼	Exch. 10pc 1983	90¼	+⅛	11.08	15.54
88⅛	83½	Funding 5½pc '82-84‡‡	84½	+½	6.51	13.85
96¼	90	Exch. 11¼pc 1984	91¼	+¼	12.33	15.85
103³⁄₁₆	95¼	Exchequer 14pc 1984	96⅝xd	+¼	14.49	15.71
82⅝	77	Exch. 3pc 1984	77⅞	+¼	3.85	13.09
98⅛	90½	Treasury 12pc 1984	92	+¼	13.04	15.50
107¾	95⅞	Treasury 15pc 1985	97⅛	+¼	15.44	16.07
98⅞	88¼	Exch. 12pc Cnv. '85	89⅝	+¼	13.39	16.08
76	71	Treasury 3pc 1985	71⅞xd	+¼	4.17	13.19
96³⁄₁₆	85¼	Treasury 11½pc 1985	86⅝	+¼	13.28	16.42
95⅞	87⅝	Exch. 12¼pc 1985	89¼xd	+¼	13.73	15.97
97⅛	84¾	Exch. 11¾pc '86	86⅛	+¼	13.64	16.31
70³⁄₁₆	65¼	Treasury 3pc 1986	66⅞xd	+¼	4.49	12.86
97¹⁵⁄₁₆	84½	Treasury 12pc '86	85¾	+¼	13.99	16.51
88⅛	78½	Treasury 8½pc '84-86‡‡	79¾	+¼	10.66	14.59

Five to Fifteen Years

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
103⅞	92¼	Exch. 13¼pc 1987	94⅝	+¼	14.57	15.90
81¼	71⅛	Funding 6½pc '85-87‡‡	72⅜xd	+¼	8.98	13.86
99½	81½	Treas. 12pc 1987	83⁵⁄₁₆xd	+⅜	14.40	16.48
81⅛	73¼	Treasury 7¾pc '85-88‡‡	74⅛	+⅛	10.72	14.66
65½	58⅝	Transport 3pc '78-88	59¾	+¼	5.11	12.23
92¼	79½	Treasury 11½pc 1989	81⅜	+¼	14.54	16.49
67¼	59¾	Treasury 5pc '86-89	61	+¼	8.23	13.09
101½	88½	Treasury 13pc 1990‡‡	90⅛	+¼	15.08	16.04
95⁷⁄₁₆	81⅝	Exch. 12½pc 1990	83¾	+⅜	15.18	16.45
80⅞	71⅛	Treasury 8¼pc '87-90‡‡	72⅝	+¼	11.88	14.57
93⅛	79½	Treasury 11¾pc 1991	81½	+⅜	15.10	16.49
66¼	57	Funding 5¾pc '87-91‡‡	58⅛	+¼	9.97	13.95
90	72⅝	Exch. 11pc 1991	74½	+⅜	14.81	16.31
98⅛	83¼	Treasury 12¾pc '92‡‡	85½	+⅜	15.57	16.42
82⅞	70¼	Treasury 10pc 1992	72	+⅜	14.29	16.01
94⅛	79	Exch. 12¼pc '92	81¼	+⅜	15.52	16.46
101⅞	84¼	Exchequer 13½pc '92	86⅛	+⅜	15.91	16.52
96¼	81⅞	Treasury 12½pc '93‡‡	83⅞	+¼	15.61	16.35
63⅞	53¾	Funding 6pc 1993‡‡	54⅞	+¼	11.09	14.05
105¼	84	Treasury 13¾pc 1993‡‡	85⅝xd	+¼	15.96	16.38
107¼	90⅛	Treasury 14½pc '94‡‡	92⅜	+¼	16.13	16.42
104¼	82⅝	Exchequer 13½pc 1994	84½	+¼	16.02	16.51
95⅝	79½	Exch. 12½pc 1994	81⅝	+¼	15.79	16.42
79¼	63¾	Treasury 9pc '94‡‡	64½xd	+⅜	13.87	15.30
92⅞	77¾	Treasury 12pc '95	80	+¼	15.64	16.31
51¾	42	Gas 3pc '90/95	42⅝xd	+⅛	7.04	11.46
83	69⅝	Exch. 10¼pc 1995	71¼	+⅛	15.00	16.00
100⅛	79½	Treasury 12¾pc '95‡‡	81xd	+¼	15.65	16.13
104⅞	88⅛	Treas. 14pc '96	90⅜	+¼	16.20	16.46
76¼	63¾	Treasury 9pc '92/96‡‡	64¾	+¼	14.16	15.35
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS

Public Board and Ind.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Financial

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Building Societies

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS AND HIRE PURCHASE

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES AND SPIRITS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS—Cont.

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DRAPERY AND STORES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING MACHINE TOOLS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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INDUSTRIALS—Continued

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
153	39	Hoskins & H 20p	130	......	†2.0	—	2.2	—
76	46	Howard Tenens	53	......	1.55	0.6	4.2	58.8
420	230	Hunting Assoc.	250	......	5.0	5.8	2.6	6.5
150	52	Huntleigh 10p	83	−1	†1.5	4.2	2.6	10.1
226	120	Hutch Whamp $HK1	152	−2	tQ54c	ϕ	2.1	ϕ
15	9	Hyman (I. & J.) 5p	10½	−½	$0.83	0.1	‡	—
£20¼	£12¾	I.C. Industries$1	£17⅛	−⅝	Q$2.20	—	7.1	—
70	25	ICL	37	−3	‡2.97	—	‡	—
44	35	Ingall Inds. 10p	37½	......	2.5	ϕ	9.9	ϕ
251	180	Initial Services	194	......	9.0	2.3	6.6	8.9
23	9	Inter-City 20p	13	......	—	—	—	—
90	39	J. B. Holdings 10p	85	......	†3.0	4.9	5.2	5.4
192	110	Jacksons Bourne	173	......	5.0	1.4	4.1	25.5
27	22	James (M.) Ins. 10p	25½	......	1.0	3.3	5.6	6.0
248	118	Jardine M. $HK5	135	−2	†Q88c	2.0	6.0	8.4
25½	15	Jentique	16½xd	......	1.3	ϕ	11.3	ϕ
10	6½	Johnson & Barnes	7ϕ	......	—	—	—	—
257	152	Johnson Clnrs.	194	......	†7.0	3.4	5.2	6.4
*300	186	Johnson Mthy. £1	253	......	9.5	2.3	5.4	(9.3)
92	57	Jourdan (T.) 10p	68	......	5.25	1.8	11.0	7.1
81	37	Kalamazoo 10p	40xd	......	2.5	ϕ	8.9	ϕ
170	133	Kelsey Inds.	135	......	ϕ8.0	4.7	8.5	3.6
148	112	Kennedy Sm. 10p	137	......	4.39	3.2	4.6	9.7
330	225	Kershaw (A.) 5p	230	−10	21.75	0.6	13.5	(21.0)
75	47	Kleen-E-Ze Hldgs	48	−1	5.5	0.7	16.4	(14.8)
75	55	L.C.P. Hlds.	60	......	4.3	1.0	10.2	(13.1)
48½	37	L.R.C. Int. 10p	39	......	2.5	1.6	9.2	8.8
56	35	Lawtex	35	......	1.5	—	6.2	—
178	115	Lead Inds. 50p	148	......	9.66	1.4	9.3	9.9
80	55	Leadenhall Sterling	65	......	3.5	1.5	7.9	10.6

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

Tins

Copper

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
530	85	Colby Res. Corp.	145	−15	—	—	—
330	200	Cons. Murch. 10c.	290	+10	tQ30c	1.8	5.9
10	6	††Explaura Gold	9	......	—	—	—
98	47	††Hemerdon 10c.	60	......	—	—	—
180	65	Highwood Res.	75	......	—	—	—
505	260	Northgate C$1	320	......	—	—	—
633	372	R.T.Z.	442	+2	16.0	2.3	5.2
£130½	£93½	Do.9½%Cv.Ln.'95-2000	£101½	+½	Q9½%	—	f9.7
103	13	††SPO Minerals 10p	26	......	—	—	—
47	20	Sabina Inds. C$1	22	+2	—	—	—
44	21	‡Southwest C. 10p	25	......	—	—	—
585	465	Tara Expln. $1	565	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and *denominations are 25p*. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ϕ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ■ No par value.
- ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ☆☆ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	40	......	Conv. 9% '80/82	£92⅞	......
Bertrams	8	......	Nat. 9¾% 84/89	£68⅝	......
Bdg'wtr. Est. 50p	400	......	Fin. 13% 97/02	£73¼	......
Craig & Rose £1	£13	......	Alliance Gas	75	−3
Finlay Pkg. 5p	23	......	Arnott	225	......
Graig Ship. £1	£19	......	Carroll (P.J.)	76	+1
Higsons Brew.	63	......	Concrete Prods.	90	......
Holt (Jos) 25p	510	......	Helton (Hldgs.)	24	......
I.O.M. Stm. £1	150xd	......	Irish Ropes	40	......
Pearce (C. H.)	760	......	Jacob	63½xd	......
Peel Hldgs.	116	......	T.M.G.	17	......
Sheff. Refrshmt.	98	......	Unidare	58	......
Sindall (Wm.)	190	......			

OPTIONS

3-month Call Rates

Debenhams	7	P & O Dfd.	9	Burmah Oil	11
Distillers	16	Plessey	26	Charterhall	6
Dunlop	6½	Racal Elect.	34	KCA	12
Eagle Star	25	R.H.M.	5	Premier	7
F.N.F.C.	4	Rank Org. Ord.	14	Shell	28
Gen. Accident	30	Reed Intnl.	23	Tricentrol	25
Gen. Electric	55	Sears	5	Ultramar	40
Glaxo	32	Tesco	5	Mines	
Grand Met.	15	Thorn EMI	30		
G.U.S. 'A'	36	Trust Houses	11	Charter Cons.	21
Guardian	30	Tube Invest.	12	Cons. Gold	40
G.K.N.	12	Turner & Newall	7½	Lonrho	7
Hawker Sidd.	25	Unilever	50	Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FK0150

FINANCIAL TIMES

Saturday October 31 1981

MEN IN THE NEWS

Danger: UXB men at work

BY LISA WOOD

IT IS said that those who perform dangerous jobs get noticed only when one of them is killed.

This was certainly true this week when 49-year-old Mr Kenneth Howorth, an explosive specialist employed by the Metropolitan police, was killed while examining a 5lb bomb planted in a London Wimpy Bar by the IRA.

Epithets of "brave" and "lonely heroes" were subsequently heaped on him, his civilian colleagues at the Yard and on those in the Royal Army Ordinance Corps—the nursery which trains those who deal in UXBs, or unexploded bombs—who are active in Northern Ireland.

But after a few weeks they will inevitably sink again into anonymity—and that is exactly what they want.

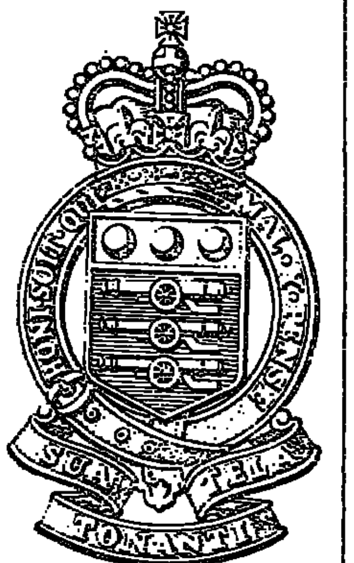
Every single bomb disposal specialist, whether in civilian service or one of the small percentage of disposal specialists drawn from the ranks of Ammunition Technical Officers (ATOs) in the ROAC is on a terrorist hit-list.

But just as important is the fact that anyone seeking personal publicity is exactly the type of character the RAOC rejects. In the army, from where all the Yard's small bomb disposal team are recruited, psychologists weed-out the emotionally unstable during a rigorous 56-week general training course and a specialist preoperations course.

Many are quietly decorated for bravery. Since 1964 in Britain.

Major Geoffrey Biddle, awarded the George Medal in 1975, retired from the Metropolitan Police's bomb disposal team last May at the age of 64.

He was in the RAOC for the next 25 years, serving at home and abroad. He joined the Metropolitan Police, as one of its first two civilian disposal ex-



The RAOC's badge

"To the thunderer, his own thunderbolt"

perts in 1964. In the 1950s and early 1960s increasing amounts of gelignite were used in criminal activity, such as safe-breaking. The police had no experience of dealing with it, and had called upon army experts before setting up the new team.

Today, expanded in numbers, their work now encompasses the new dimension of explosives being used by terrorists, an activity which took off in the late 1960s.

Remote-control devices can play a role, said Major Biddle, but if a device is exploded vital evidence, needed to convict terrorists, is lost.

Often called as an expert witness, Major Biddle draws two chief distinctions between his former work in the 10,500 sq miles of Greater London and that of his army colleagues in Ulster.

In Ulster, Major Biddle said, bomb disposal was made easier by the ability to designate no-go areas strictly controlled by the military. In densely populated London, Parliament Square for example, could not be cut-off for hours while long assessments were made.

In Ulster, he added, disposal officers were on active duty for a limited period-normally four months. Major Biddle performed his London duties for 18 years, on call 24 hours a day, seven days a week. Much of the stress he admits was carried by his wife, children and close friends.

The job entails no danger money and disposal officers, who have fought hard to have their pay scale up-graded, earn between £12,000 and £17,000.

For that amount a man in the Met's service can reckon to have his stomach regularly churn with anxiety. "We are all human," said Major Biddle, "but one learns through training and experience to control it. We have to get evidence, that is what in the long run puts people behind bars."

Poland moves to bring in law against strikes

BY CHRISTOPHER BOBINSKI IN WARSAW

GENERAL Wojciech Jaruzelski, the Polish Prime Minister, yesterday unveiled a draft law giving the Government "special rights" to ban strikes.

Opposition to the ban by some parliamentary parties, however, means that the Government plans to wait before asking Parliament to pass the laws.

He told the Sejm (parliament) that he would insist on the law being passed unless a strongly-worded appeal far an end to the strikes was heeded.

He said: "A resolution has been drafted demanding an immediate end to strikes. If it is not respected, the Government will urgently set in motion all measures provided for by the Bill."

The Communist Party has a majority in Parliament over the small Democratic and Peasant Parties, but votes against the law would have broken the outward unity of the Parliament—a development the authorities want to avoid.

Gen Jaruzelski's announcement came after a plea from the Solidarity leadership which told its member to stop all strikes immediately. The union said that the present strike wave "threatens to break up the union and lose it the support of society."

The Solidarity presidium, headed by Mr Lech Walesa, which met on Thursday, has threatened to resign if the wave does not subside.

About 250,000 workers are on strike in Zielona Gora, Tarnobrzeg and Zyrardow and more stoppages are threatened.

It is thought that the authorities will wait for a couple of weeks to allow the strikes to end before pressing the ban.

Meanwhile, the Solidarity leadership has demanded that the authorities pay workers for the time they have been on strike as a gesture of goodwill.

Gen Jaruzelski proposed some Government changes in his speech, including the replacement of Mr Stanislaw Mach, the deputy premier, by Mr Edward Kowalczyk, the Democratic Party leader.

Healso reaffirmed his wish to bring more non-party members into the official establishment and to set up consultative bodies made up of independent experts—proposals which fall far short of Solidarity's demands for greater independent control over the government.

Jobbers lose their bonus as trading conditions stay grim

BY CHRISTINE MOIR

THE IMPACT on jobbers of the past six weeks' grim trading conditions in the stock market was underlined yesterday by the news that Wedd Durlacher Mordaunt will not be paying its staff the normal half-yearly bonus.

Mr John Robertson, chairman of the country's largest jobber, said yesterday that staff had been told there would be no interim bonus for the six months to the end of October.

"We caught a cold in the 'Granvile' account," Mr Robertson said, referring to the last two weeks of last month. Following pronouncements of doom from Mr Joseph Granville, the U.S. securities forecaster, and the signalling of higher interest rates, the FT Industrial Ordinary Index fell 80 points in two weeks.

Since then "what's really been hurting us is the very high short-term volatility in the market coupled with low turnover," he said.

On September 28, which has come to be called Black Monday, investors fled the market and brokers have been advising them to stay out until conditions become more stable, Mr Robertson said. As a result turnover was halved.

"We are not in serious financial trouble but must just grin and bear it and hope it does not go on too long."

Other senior jobbers candidly admit that the past six weeks have, in the words of one, left them "badly wounded."

Mr Tony Lewis, chairman of Smith Bros., one of the two quoted jobbing firms, said after yesterday's annual meeting of the company: "Trading is hairy."

Akroyd and Smithers, the other quoted company, is due to report its full-year figures in the next two weeks and declined to comment yesterday. However, its accounting period ends on September 29 and so will not reveal the full impact of current conditions.

Mr Robert Wilkinson, chairman of the Stock Exchange committee which monitors firms' financial stability, said the conditions were giving rise to general concern, but no particular jobbing firm was under special financial scrutiny.

GM sells $53m plant to workers

BY DAVID LASCELLES IN NEW YORK

GENERAL MOTORS set a precedent for the ailing U.S. car industry yesterday when it agreed to sell off a redundant component plant to its workers for $53m (£29.2m).

Under the terms of the sale, GM will buy most of the plant's output at competitive prices for three years, virtually ensuring that it will survive for at least that long.

The sale has far-reaching implications for the U.S. motor industry, which is struggling to reduce its labour costs to compete with the Japanese. The big car manufacturers have all announced huge losses for the third quarter in the last few days, and put much of the blame on inflated payrolls.

The GM plant, which is in Clark, New Jersey, makes bearings. Last March the company decided to close it because it was cheaper to buy in components rom outside. The local unions, however, decided to try to rescue the plant by offering to buy it.

The deal hinged on General Motors' willingness to come up with a $60m (£33.3m) loan to finance the purchase and commit itself to buying most of the output. To secure this support, the unions agreed to halve the size of the plant's workforce to about 800 and cut the wage bill by about one-third.

The unions were thus able to preserve several hundred jobs in a part of New Jersey that has suffered badly from auto plant closures. For GM, the deal effectively means that it has secured cuts in its payroll that would have been impossible if the plant had remained within the national wage contract.

The sale marks the first employee buy-out at GM, which has been closing plants all over the country in recent years. But it is viewed as a key test of the car industry's ability to cut costs, and more may follow.

Ford, which is in much deeper trouble than GM, made a similar buy-out offer to more than 1,000 workers at an aluminium castings plant in Alabama last week. Those workers have until November 15 to reply.

Biotechnology promotion group formed

By David Fishlock

MORE THAN a dozen major British companies — including ICI, BP, Shell, Unilever and Glaxo—are associated with a Government initiative to support biotechnology as a potentially important industrial activity.

The Science and Engineering Research Council announced yesterday that it is creating a directorate for biotechnology.

Its job is to encourage research in biotechnology and to try to ensure that it leads to investment in development projects.

The directorate has the support of two of the council's funding boards, science and engineering, and will work closely with the Department of Industry.

The directorate, headed by Dr Geoffrey Potter of the Science and Engineering Research Council, will support proposals for research and development in biotechnology put forward from both academic and industrial sources.

Japanese plan to deal with trade surplus

BY RICHARD C. HANSON IN TOKYO

THE JAPANESE Government is considering setting up a Cabinet Council to deal with the country's growing trade surplus, Mr Michio Watanabe, the Finance Minister, said yesterday.

The current account surplus for the year to next March is expected to exceed the official estimate of $7bn (£3.82bn) by at least $3bn unless special steps are taken.

Japan's Economic Planning Agency has suggested that the surplus could be trimmed with an emergency import programme. On Thursday it said Japan should take in emergency imports worth $5bn, but Mr Watanabe said the Government could not afford this.

Meanwhile the U.S. has made it clear that it does not favour temporary emergency import schemes to redress its unfavourable trade balance with Japan. Mr Malcolm Baldrige, U.S. Secretary of Commerce, said yesterday while on an official visit to Tokyo that he would rather see a long-term improvement in the balance by greater American exports to Japan.

The U.S. trade deficit with Japan will probably rise to $18-$20bn next year from about $15bn this year.

Mr Baldrige indicated that U.S. did not intend to limit Japanese exports but criticised Japanese import policy, with markets still closed in "too many cases."

● Japan may extend beyond next January a cartel which sets minimum export prices on advanced machine-tool sales to Western Europe, according to officials in the Ministry of International Trade and Industry, Reuter reported from Tokyo.

They said it was appropriate for Japan to hold down shipments because some EEC manufacturers were suffering severely

Continued from Page 1

Oil output

of $37.

The uncertainty in Geneva was mirrored by international oil companies who welcomed OPEC's proposed price freeze to the end of next year but doubted whether the reported differentials would stick.

In London, Dr Walter Kirsten, managing director of BP's international trading arm, said a $3-$4 differential was far too high and African producers charging such prices would find it hard to attract customers.

Uncertainty surrounds the new price for North Sea crude, which is bound to rise on the back of the OPEC increases.

Continued from Page 1

Mobil bid

Mr Rawleigh Warner, Mobil's chairman, said the proposed acquisition was consistent with "the longstanding Mobil policy of acquiring and developing oil and gas assets."

Mobil was contacting Marathon yesterday to arrange a prompt meeting "to complete this acquisition in a constructive manner."

The offer appeared to come as a bombshell to Marathon which only two days ago announced an agreement with Husky Oil to buy the Canadian company's U.S. oil and gas assets for $650 million in cash. Shortly after the Mobil announcement a Marathon official said: "It happened bang-bang—just like that."

Marathon, a $10bn oil company in terms of revenues and with net profits of just over $300 million in the first nine months of this year, has for some time been preparing its defences against a possible hostile takeover.

Wall Street analysts yesterday said they did not expect Mobil's bid to encounter any major anti-trust obstacles. But most said they expected Marathon to oppose the bid while other oil companies are likely to enter the fray.

Shore warns of Alliance and attacks far left

By Peter Riddell, Political Editor

THE CONTINUED success of the Social Democrat Party-Liberal Alliance at local elections throughout the country yesterday led to further soul searching in the already demoralised "moderate" wing of the Labour Party.

Mr Peter Shore, the Shadow Chancellor and one of the leaders of the Solidarity campaign, said Labour "would be blind and daft if it did not recognise that our party faces its gravest crisis since the 1930's or that the SDP alliance with the Liberals faces us with a challenge that is now truly formidable."

Mr Shore called on the left to end the present divisions. Without naming Mr Benn and his allies, he noted that "with characteristic generosity, Mr Michael Foot has proffered the olive branch to those within the national executive committee who have played a major role in bringing us to our present predicament.

"It is up to them now to respond, without hesitation, without reserve."

Speaking at Rotherham, Mr Shore attacked the far left, "some of whom," he said, "actually wanted Labour to lose, because they did not believe that anything worthwhile could be achieved by democratic socialism."

The Labour Party, by "a potent deadly mixture of genuine disappointment, overarching personal ambition, a totally ineffective national executive committee and through organised subversion and infiltration inflicted hideous wounds on itself and made itself less attractive to ordinary, sane Labour people."

As the Parliamentary session was prorogued yesterday, there was no doubt about the low morale among both moderate Labour MPs worried about the party's internal divisions, and Tory MPs critical of the Government's economic strategy.

Labour MPs are especially concerned about the unprecedentedly low electoral and opinion-poll standing of the party at a time when the Tories are so unpopular.

On Thursday the Alliance captured 16 local council seats, of which three-quarters were won by Liberals.

A striking feature is how well the Alliance seems to be doing in traditional Labour areas, particularly on the more modern council estates. This is reckoned to explain the success of Mrs Anne Sofer in turning a Labour majority of 4,730 at the GLC elections in May into an SDP majority of 738 at the by-election in St Pancras North on Thursday.

Softly, softly approach urged, Page 3

Weather

UK TODAY

OUTBREAKS of rain and drizzle, temperatures near normal except in Northern Scotland, which will be cold and the South of England, which will be warmer.

London, and E. England
Mostly cloudy with outbreaks of rain. Max. 13C (55F).

Most of England and Channel Islands
Mostly dry with bright intervals. Drizzle over hills. Max. 14C (57F).

W. England and Wales
Cloudy, outbreaks of rain and drizzle. Max. 12C (54F).

Central and S. cotland and N. Ireland
Dry at first but rain spreading later. Max 12C (54F).

Rest of Scotland
Showers and rain but some bright intervals. Max. 9C (48F).

Outlooq: Mostly dry and rather warm in South. Rain in North.

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	19	66	Lisbon	S	18	64
Algiers	S	24	75	Locarno	C	9	48
Amsdm.	C	10	50	London	F	11	52
Athens	C	20	68	L. Ang †	S	13	55
Bahrain	S	29	84	Luxmbg.	C	8	46
Barclna.	S	19	66	Luxor	S	36	97
Beirut	S	26	79	Madrid	S	16	61
Belfast	R	6	43	Majorca	S	22	72
Belgrd.	C	16	61	Malaga	S	20	68
Berlin	R	9	48	Malta	C	23	73
Biarritz	C	17	63	M'chstr.	C	7	45
Bmghm.	F	9	48	Miami†	F	23	73
Blackpl.	F	9	48	Milan	C	11	52
Bordx.	R	15	59	Montrl.†	F	−1	30
Boulgn.	F	11	52	Moscow	S	7	45
Bristol	C	10	50	Munich	R	8	46
Brussels	F	11	52	Naples	C	19	66
Budpst.	C	12	54	Nwcstl.	S	9	48
Cairo	S	28	82	N York†	F	6	43
Cardiff	R	9	48	Nice	C	18	64
Cas'b'ca	F	21	70	Nicosia	S	27	81
Chicg.†	S	7	45	Oporto	C	16	61
Cologne	C	11	52	Oslo	C	2	36
Conhgn.	R	7	45	Paris	C	12	54
Corfu	S	21	70	Perth	S	29	84
Denver†	F	6	43	Prague	C	10	50
Dublin	R	8	46	Reykjvk.	C	4	39
Dbrvnk.	S	18	64	Rhodes	S	23	73
Ednbgh.	F	9	48	Rome	C	19	56
Faro	S	20	68	Salzbrg	R	8	46
Florence	C	15	59	S Frcisc†	S	11	52
Frankft	C	10	50	Stckhm.	C	7	45
Funchal	C	20	68	Strasbg.	R	12	54
Geneva	R	9	43	Tangier	S	22	72
Gibraltar	F	20	68	Tel Aviv	F	25	77
Glasgow	F	9	48	Tenerife	C	24	75
G'rnsey	C	12	54	Tokyo	C	18	64
Helsinki	R	6	43	Toronto†	Fg	2	36
H. Kong	S	26	79	Tunis	C	24	75
Innsbrk.	C	9	48	Valencia	S	19	66
Invrnss.	S	8	46	Venice	F	14	57
I.o.Man	R	9	48	Vienna	C	8	46
Istanbul	C	16	61	Warsaw	C	10	50
Jersey	C	12	54	Zurich	R	9	48
L. Plms.	S	22	72				

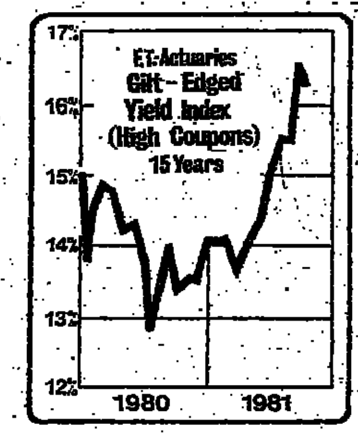
THE LEX COLUMN

Nimslo: the City says 'Cheese'

A very necessary soothing of the stock market's nerves has taken place over the last week. The upward pressure on interest rates, largely stemming from the foreign exchanges, has abated as U.S. rates have fallen, and gilt-edged have made a solid advance. Yields on the most active medium- and short-dated stocks, which had been within a whisker of 17 per cent at their peak, have dropped below 16½ per cent. And yesterday sterling (and oil shares) received a late fillip from the promise of Saudi oil production cuts, which points to a higher North Sea oil price.

Equities in general have not set the world on fire, but the violent fluctuations of the last six weeks have given way to a much steadier tone, even though BL continues to rumble. As long as the Cable and Wireless stags do not end up with more shares than they expect, the market could build on this foundation next week.

Index rose 0.8 to 468.5



Nimslo

If Nimslo International's 3-D camera is as brilliantly conceived as the company's financial affairs, then Kodak must look to its laurels. Nimslo has succeeded in getting another share offering underwritten in the London market—its third—and it still has not sold a camera.

The latest issue will bring in nearly $32m before expenses, and values the whole business at around $465m. That is roughly two-thirds the stock market value of Polaroid, and compares with pro-forma shareholders' funds of about $65m. It also compares with projected profits of $156m for 1985—a figure which is based on 12 separate assumptions, of which perhaps the boldest is that the product will capture 4 per cent of the world's amateur camera market.

Research apaprently indicates that at a price of $200 per camera Nimslo could take 8 per cent of the U.S. market in its first year. But if it "only" gets a 2 per cent world share, the projected profit drops to $79m. And of course the focus on these numbers can sometimes be a little blurred. Last year, Nimslo was projecting sales of $44m in 1981 and profits of $20m in 1982. Now it says there will be modest losses next year, although its target for later years has become more ambitious.

Meanwhile the equity interest of the public shareholders gets smaller. It was diluted from 40 to 30 per cent in last year's funding, and under the present reconstruction will fall to below 20 per cent before allowing for the issue. By way of compensation, shareholders now have full rights to all the revenues around the world. All it requires is faith—and patience.

GUS

The 1980 annual report from Great Universal Stores made uncharacteristically nervous noises about recession; but the tone of the chairman's statement in the 1981 report — released today — is a great deal more confident. And one does not have to search far for the reason. Cash is mounting at a rapid rate. A standstill in volume is no mean achievement in the context of the sector, especially as gross margins have been maintained. It has also allowed £30m to be extracted from working capital. Retained profits last year totalled £71m, and cash has jumped from £98.4m to £172.6m.

The transformation of current physical assets into cash at a time of high interest rates should maintain the momentum of profits growth. But the sheer scale of present cash resources is likely to dwarf the future requirements of the existing businesses when the time comes to move back into assets. No wonder GUS is studying potential acquisitions so closely.

Hepworth

J. Hepworth shares were bumping along at their lowest point of the year early this week when British Land stepped in to buy another 2 per cent of the company. The possibility of a full scale bid is still the dominant influence on the share price but yesterday's preliminary figures were disappointing enough to push the shares 3p lower to 90p.

Pre-tax profits have fallen 28 per cent to £4.1m in the year to August. After allowing for roughly maintained profits at the credit card and estates divisions, the underlying decline in retailing must be rather greater. Hepworth has admittedly been carrying 3½-months of losses from the Kendall acquisition, which helps to account for the halving of net trading margins to 5 per cent in the second half.

But net margins would have been well down even without Kendall. Volume has shown no improvement in clothing or footwear, despite a virtual price freeze, and gross margins have remained under pressure. Hepworth will be spending heavily this year on what it calls store ambience and consumer demand may be a little brighter by the summer. But, for the moment at least, it is the net asset backing of £2 or more per share which keeps the yield over a point below Burton's at 6.2 per cent.

Dan-Air

The high levels of capital gearing among world airlines are coming home to roost as the sector struggles with overcapacity and recession. The latest UK victim is Davies and Newman, owner of Dan-Air, whose seasonal first half loss has nearly tripled to £2m pre-tax. With margins squeezed and a questionmark over loadings, the likelihood must be for last year's £2.4m profit to be eliminated. At any rate, the company has joined the squadrons of air operators missing from the dividend lists.

Until recently the company was run on a hand to mouth basis, with an aged fleet. So year-end net debt in 1979 was less than a third of shareholders funds. In 1980, however, with what in retrospect appears suspect timing, the company acquired six new planes and net debt very little short of net worth. Interest payable is now running at three times the level —£2m or so a year—of two years ago. The company is hoping to wrestle debt lower this year, but with aircraft standing in the balance sheet at £30m, and the value of second hand planes slumping, the true net worth of the company is likely to fall well below the £16.5m of the 1980 accounts. At 85p, down 10p yesterday, the company is capitalised at £4.8m.

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